

RAILWAYS ACT, 1921.

PROCEEDINGS OF RAILWAY RATES  
TRIBUNAL.

1. MINIMUM DISTANCES.
2. MILEAGE GRADATIONS.
3. FORM OF SCHEDULES OF STANDARD CHARGES.

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MONDAY, MARCH 5TH, 1923.

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FIFTH DAY.

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# PROCEEDINGS OF RAILWAY RATES TRIBUNAL.

MONDAY, MARCH 5TH, 1923.

## PRESENT:

W. B. CLODE, Esq., K.C. (*President*).  
W. A. JEPSON, Esq.  
GEO. C. LOCKET, Esq., J.P.

## FIFTH DAY.

MR. BRUCE THOMAS and Mr. A. TYLOR appeared for the Railway Companies' Association.

MR. EDWIN CLEMENTS (instructed by Messrs. Neish, Howell & Haldane) appeared for the Dairy Appliance Manufacturers' Association.

MR. EDWIN CLEMENTS (instructed by Mr. R. Borough Hopkins of Leeds) appeared for the National Federation of Iron and Steel Manufacturers.

MR. HENRY G. PURCHASE appeared for the National Association of Railway Travellers.

THE HON. R. STAFFORD CRIPPS appeared for the London County Council.

MR. JACQUES ABADY appeared for the Mining Association of Great Britain.

MR. DRAGE appeared for the Traders' Coordinating Committee.

MR. COYSH appeared for the United Kingdom Commercial Travellers' Association.

MR. RAMSDEN WALKER appeared for the Cyclists' Touring Club.

MR. DEW appeared for the National Association for the Promotion of Cheap Transit.

MR. HIX appeared for the Brighton and Hove Season Ticket Holders and Railway Passengers' Association.

Mr. Bruce Thomas: I was not here at the close of the proceedings on Friday; have you finished the returned empties?

President: There is the question with regard to the expression "terminals" in the Schedule, which was raised by a gentleman sitting on my right; that was left over for Mr. Pike to consider. You see the provision in the Act.

Mr. Bruce Thomas: Yes, it is section 30.

President: I thought it would have to be met in some way, and I was in hopes that Mr. Pike and you would be able to confer together and arrange something.

Mr. Bruce Thomas: I have been examining into it, Sir, and Mr. Pike has considered it, to see how it would work. I think it would be better if he just tells you what the result of his consideration is; he has just given it to me, but as I have only this moment had it, perhaps it would be better if Mr. Pike dealt with it.

President: Will you let Mr. Malacrida have a copy of what is proposed as soon as possible?

Mr. Bruce Thomas: At the moment we were not going to propose anything; we were just going to point out how, if this demand were insisted on, it would not help any of the traders. The prospect would be that it would unduly increase the scale because of the small amounts that the terminals would work out at, and it would have to be charged at some rate above the actual sum that they work out at in points of decimals. Of course, as you know, the scale that has been put forward has been agreed with practically everybody, and just one person comes here who, I understand, has put in no objection, and makes a suggestion. It may be that you feel that a certain duty is cast upon you in regard to this matter, but the proposal will really bring about an impracticable state of affairs, and one that we are satisfied will not be in the interests of the traders,

and I think that 99 per cent. of the traders at least take the same view.

President: Can you help us over what I may call the technical part of the question?

Mr. Bruce Thomas: Section 30, I must say, seems pretty specific on this point, and I do not think I could contend, if it really is provided for, that we can very well refuse it; I do not think it permits of any argument.

President: Thank you, Mr. Bruce Thomas.

Mr. Pike: It is the practical difficulty that we feel rather strongly in regard to this question, because we consider that if this claim is pressed it will probably result in the bulk of the traders having to pay a little more. I will try to analyse some of the present charges under the empties scale to see how much really could be said to be included. Of course, it is a difficult thing to say, because I think it is generally admitted on the other side—at any rate, I think we have proved it—that we carry empties at a considerable loss, and although it might technically be said that because we perform a service there must be something in the rate for it, at any rate that sum must be very small. Basing it on the proportional system that is laid down in the Act for the division of exceptional rates where they are not specifically disintegrated, it works out on the ordinary returned empties scale in force to-day in this way: at 25 miles the loading is about half a farthing, and it is less than a farthing at 100 miles.

Mr. Jepson: Per cwt.?

Mr. Pike: Yes. I go further and say that is the ordinary empty scale, but there are some empties carried at half that rate, and there, of course, the sum included would be half this amount. You get down to something—

President:—that may be spoken about, but which does not in fact exist, like the mathematical point.

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[Continued.]

*Mr. Pike:* That it so, Sir, and if we have to put anything in at all that would be a tangible figure, it means that we must add something more on to the charge in order to take it out again.

*President:* Is there any way out of it by charging nothing? Suppose you charged nothing for the terminals down to a certain weight and something afterwards? Are you compelled to charge a terminal by this? You see what I mean. The case we had put before us was this: Mr. Pike is absolutely right with regard to things of small weight, but there were cases where the weight was extremely heavy; instances were given, I think, of carboys, empty drums, gas cylinders, and so on, where the weight was great. Is it possible to put at the end, "Terminals," and then for the lower classes nothing, and begin at half a farthing where the thing is considerable; have you considered that?

*Mr. Bruce Thomas:* I have had an opportunity of speaking to Mr. Pike, and we think upon the lines that you are good enough to suggest something perhaps could be done.

*President:* You might attach it to the heavy Class E, or whatever it is.

*Mr. Bruce Thomas:* Quite.

*President:* You see what I mean?

*Mr. Bruce Thomas:* Yes.

*Mr. Pike:* E. is not the heavy class. E. is the ordinary empty scale which covers empty boxes, hampers, and so on.

*Mr. Lockett:* Which class do the heavy things come in?

*Mr. Pike:* These drums would come into E, but the drums do not give us such very good loading.

*President:* However, I gather that something might be done.

*Mr. Pike:* We will try.

*Mr. Bruce Thomas:* We will attempt to produce something and submit it to our friends over there; if what we propose is not satisfactory, then we shall have to take an opportunity some time or other—I do not think it is a very big matter of submitting it to this Court.

*President:* Thank you very much.

*Mr. Drage:* If you will forgive me, before we leave this rather vexed point, I am bound to draw your attention to the fact that the Co-ordinating Committee did consider this point at some length. We considered the point in regard to section 30. I know you will not expect me to go into arguments on that now, but I am simply bound to say that the view of the general body of traders is not that which is now expressed. But you have the particular point that has been made to you, and I leave it at that.

*President:* Thank you.

*Mr. Jepson:* Then are we to have some proposal later on as to how this should be met?

*Mr. Bruce Thomas:* I was not going to attempt to submit it to-day; I do not think we shall be able to do so to-day, but I have no doubt we shall be able to produce something that will be satisfactory to the gentleman who has objected here, and if unfortunately we do not, then some opportunity can be taken for it to be brought up before you begin the conditions, or something of that sort; it would only take a matter of a few minutes.

*President:* Yes.

*Mr. Bruce Thomas:* Now we go to page 23 of the Fifth Schedule: "Provisional proposals of the railway companies in respect of the form of schedule of charges which a company may make for the use of trucks provided by them for the conveyance of merchandise when the provision of trucks is not included in the standard rates for conveyance." This is a scale that the railway companies are proposing under paragraph 6 (1) of the Fifth Schedule to the Railways Act. If we might just turn to that, you will see that paragraph 6 (1) provides: "The company may charge for the use of trucks provided by it for the conveyance of merchandise, when the provision of trucks is not included in the rates for conveyance, such sums as the rates tribunal determine." We

have thought it best that a scale should be proposed dealing with the particular matter, but you will observe, Sir, that we are proposing no scale with regard to the matter dealt with in the second paragraph of paragraph 6:—"Where, for the conveyance of merchandise other than merchandise in respect of which the rates for conveyance do not include the provision of trucks, the company does not provide trucks, the charge for conveyance shall be reduced by such sum as the Rates Tribunal determine." We are making no proposal in regard to that; it is a matter that we think will not arise. If it does arise, and we are unable to settle with the particular person concerned what is a proper allowance to make, then, of course, in a case of that sort we should have to come before this Court; but there are good reasons why a scale should not be proposed, and we do not propose a scale. You will observe that in the proposals that are made provision is made that for the first blank number of miles, or any part thereof, so much per ton may be charged for the use of the trucks. The proposal there is to insert some figure, for the sake of argument I will say 20 miles, because that is the existing provision, but I do not know whether it will be 20 miles. This gives only four, and that may have to be discussed at some other time.

*Mr. Jepson:* At the present time the scale is 20, 50, 75 and 100.

*Mr. Bruce Thomas:* Yes. I am told the figures can be put in. The proposal is 20, 30, 50. What we are proposing is that there shall be a certain sum fixed for the first 20 miles, or any part thereof; after that, for the next 30 miles it will be so much per ton per mile. That is a variation from the existing law. If you will look at Section 9 of the Rates and Charges Order, I think you will see they are substantially the same. There are one or two slight variations, but in principle they are the same. The charges are grouped: "The company may charge for the use of the trucks provided by them for the conveyance of merchandise when the provision of trucks is not included in the maximum rates for conveyance any sums not exceeding the following: For distances not exceeding 20 miles, 4½d. per ton; for distances exceeding 20 miles but not exceeding 50 miles," and so on. There you will see how our proposal varies from that. We asked that the first 20 miles should be grouped as at present, but after that our submission is that the scale should increase as the mileage increases, but at a decreasing rate per mile. That, in our view, is the proper method to adopt, and it corresponds with the method which is adopted in calculating the conveyance rate. I understand that the traders, so far as they are represented by the Co-ordinating Committee, that is to say, the main body of the traders, have no objection to the railway companies' proposal, but they ask that the maximum which now exists should be retained; that is to say, that after 150 miles there should be no additional charge. The Mining Association ask that the same method should be adopted in the future as exists at present under the Rates and Charges Order.

*Mr. Abady:* We also ask that whatever is applied under this section shall apply to paragraph 2 of Section 6 of the Schedule.

*Mr. Bruce Thomas:* Yes, but of course that is a matter that does not arise on the proposals that the railway companies are putting forward.

*Mr. Jepson:* That is, you want whatever charges made by the railway company in respect of its wagons where the conveyance rate does not include wagons, but where the traders supply the wagon where the conveyance rate includes the wagon the same amount should be allowed for rebate.

*Mr. Abady:* That is so.

*Mr. Jepson:* Of course, that is a matter of argument—not argument on this point.

*Mr. Bruce Thomas:* It is a very different matter. I hope we are not going to waste time going into that, because my submission is that it cannot arise on these proposals that the railway companies are making.

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[Continued.]

Now, Sir, there is one matter that I must refer to, and Mr. Pike, when I ask him to give evidence, will refer to it more particularly. When the classification was being considered Mr. Pike was pressed to give a pledge, or an undertaking, that when the quantum of the rates came to be considered the difference between Classes 3 and 4, which in the new classification are owners' wagon rates, and Classes 5 and 6 which are Companies' wagon classes, should correspond with the charge for wagon hire.

Mr. Jepson: I remember that very well before the Rates Advisory Committee. It was then stated that the only difference between those respective cases was that in one class wagon hire would be included, and in the other class the rates would be rates exclusive of wagons.

Mr. Bruce Thomas: Yes. The adoption of a maximum charge would, of course, make it impossible for the railway companies to carry out that pledge.

Mr. Locket: What was the pledge?

President: Would you just repeat what you were kind enough to say just now as a result of Mr. Pike's evidence and the pledge given during classification; I just want to follow it a little closely.

Mr. Bruce Thomas: As you know, Sir, Classes 3 and 4 are owners' wagon classes, and Classes 5 and 6 are companies' wagon classes. Mr. Pike on classification was asked to give an undertaking, and the classification was proceeding upon the footing of that undertaking having been given, that the difference between those two rates when we came to present them—that is to say, the difference between 3 and 5 on the one hand and 4 and 6 on the other—would only be the amount that was in the companies' wagon rates for the hire of the wagon.

Mr. Jepson: Was that given in the nature of a pledge, or was it an explanation given by Mr. Pike that the difference would generally represent the difference in the wagons? I see all 3, 4, 5 and 6 are a sub-division of Class B.

Mr. Bruce Thomas: Yes.

Mr. Jepson: The first, 3 and 4, are clearly in the classification owners' wagons, and 5 and 6, companies' wagons; but was it a pledge given that only the exact difference was to be the difference in these classes?

Mr. Bruce Thomas: Shall I just read what Mr. Pike said on the 20th day of the Classification proceedings on the 28th March, 1922, at page 461; it is the second paragraph in the right-hand column. Mr. Locket says at the top, if I might begin there: "There would be a quotation for wagon hire in the case of those classes, so it would be possible to compare them with Classes 5 and 6." Then Mr. Pike says: "Yes, but they would not be very effective comparisons, except at places where the two scales met, because the wagon hire charges to-day, and I assume it will be somewhat on the same principle in future, are so much for a distance of 50 miles and so much more for any distance up to 100 miles. (Mr. Locket): They are not on exactly the same scale as the mileage. (Mr. Pike): No, it is not the mileage scale; it goes in steps; whereas we shall have, of course, to make Classes 5 and 6, corresponding to Classes 3 and 4, go up gradually like the others, only the difference will not be so great, probably, as in some other classes. It is difficult now to say, but the difference will not be more than we think is the fair thing for the use of wagons." That is a definite statement upon that point, because you must remember at the time they were settling what articles were to go into different classes, and it was most important on this that the traders should know what was going to be the difference between those two classes, and Mr. Pike says: "The difference will not be more than we think is the fair thing for the use of wagons, taking into regard the separate charge that will be made for wagons." That was an unqualified statement, and we have always looked upon it as a definite

statement, and there would be good ground for complaint if we now sought to depart from that. The point I am trying to make in support of these proposals as being necessary in order to give effect to what Mr. Pike stated during the classification proceedings is that if you are to add to the rate the same sum for the use of trucks, the same amount whether it is for 21 miles or 29 miles, then we are not giving effect to the statement, and, as we call it, the pledge that we made before the Rates Advisory Committee when they were setting the classification.

Mr. Jepson: Are not you departing from it as regards the first 20?

Mr. Bruce Thomas: In the first 20 we propose in the rate to step it up—to spread that over the 20 miles.

Mr. Jepson: That clears it. That will really be like a minimum charge for wagon hire.

Mr. Bruce Thomas: Yes.

Mr. Jepson: And Classes 3 and 4 will be practically the minimum charge for wagon hire at whatever the figure is.

Mr. Bruce Thomas: When the wagon is included in the rate there will be no minimum charge; it will be miled out. There will only be a minimum charge for the wagon when it is paid for separately.

Mr. Jepson: What I meant was this: the railway companies under their proposals here will show that the Classes 5 and 6 rates, or the standard, will include a common sum for wagon hire, and they will all be so much over Classes 3 and 4.

Mr. Bruce Thomas: When you say "a common sum" I do not think that is quite correct; it will differ with each mile.

Mr. Locket: In Classes 5 and 6 it will, but it will not differ with each mile in Classes 3 and 4.

Mr. Bruce Thomas: Well, 3 and 4 are owners' wagons.

Mr. Locket: Exactly, and therefore you are going to have a fixed actual charge for any part of the 20 miles in Classes 3 and 4.

President: Is not that the effect of "the first 20 miles or any part thereof"?

Mr. Bruce Thomas: I think there is some little confusion. This scale is to apply when the charge for a truck is made separately.

Mr. Locket: That is, in Classes 3 and 4?

Mr. Bruce Thomas: Yes. When the wagon hire is in the rate it is by the amount of these charges that the companies' wagon rates in 5 and 6 will be greater than those in 3 and 4, but they will be greater per mile. If you are comparing 3, which is an owners' wagon rate, with 5, and you want to see what the difference is, we will say, at the tenth mile, it will not be a difference of the total sum that will be in the scale as for 20 miles, but will be a proportionate part of it only; in other words, when it is in the rate it will be spread over the miles.

Mr. Locket: Exactly. I think Mr. Jepson's point is quite good. The two scales applicable to 3 and 4 as compared with 5 and 6 will not be absolutely comparable. In the case of Classes 5 and 6, it will be a mileage scale right through from the beginning; in Classes 3 and 4 it will be a uniform charge for wagon hire for any portion of the 20 miles.

Mr. Bruce Thomas: Yes.

Mr. Locket: You are not really carrying the principle of the relative position of 3 and 4 as regards 5 and 6 right through to the beginning; you are commencing it at the 21st mile; that is your point, is it not, Mr. Jepson?

Mr. Jepson: Yes. I thought it was a different application of the principle, because notwithstanding what you say, it is quite clear in my mind if I took a rate under the new standard, say for 15 miles, if I was sending traffic in Classes 3 and 4 I should have to pay whatever was the sum put down for the first 20 miles, let us say it is 9d. if you like. I should have to pay that 9d. per ton for wagon hire for the 15 miles supposing it was third class traffic. If I were sending fifth class traffic for 15 miles I probably should not find 9d. difference between my third class



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MR. PIKE.

[Continued.]

rate and my fifth class rate, so that in that case, although the fifth class rate included wagon hire, the companies would not presumably be getting their full 9d.

Mr. Bruce Thomas: No, that is so; that is quite correct.

Mr. PIKE, recalled.

Examined by Mr. BRUCE THOMAS.

781. Upon the proposals under the Fifth Schedule for a form of Schedule of charges which the company may make for the use of trucks which they provide when the provision of trucks is not included in the standard rates for conveyance, will you give your views to the Tribunal as to the advantages of these proposals over the form which now exists in the Rates and Charges Orders? First, you ask to retain the group charge as for 20 miles?—Quite. We consider that is quite a reasonable thing, because when the companies supply a wagon for the low-graded traffic it seems reasonable that they should have a minimum charge for the provision of the wagon.

782. Just to give an illustration of that, if you supply a wagon which is merely going on a journey, we will say, of 10 miles, the trader has the use of that wagon one day before transit, has he not?—Yes.

783. And he has the use of that wagon two or three days after transit?—That is so.

784. And so there is very little difference between the time that a wagon is at the disposal of a trader, whether it is going a very few number of miles, or whether it is going 20 or more miles?—Quite; there is practically no difference at all.

Mr. Bruce Thomas: As you know, Sir, a reasonable time has to be given for loading; that is included in the conveyance rate; and a reasonable time has to be given to enable a trader to unload; that is in the conveyance rate. As you know, the free period at the other end is two or three days—I think it varies with different traffics—exclusive of the day upon which the trader is notified of the arrival of his wagon. If his wagon arrives on the Monday he has the whole of Monday, he has Tuesday, and he has Wednesday, and we think, therefore, it is only fair that the same charge should be charged for wagon hire right up to 20 miles.

785. Mr. Jepson: I suppose this wagon hire scale that you are putting forward does apply to coal and coke? Of course I know the other things did not, but you are not excluding the coal and coke from this wagon hire scale, are you?—No, we are not. It is proposed that this should apply to coal and coke.

786. If it applies to coal and coke, is it not the fact that the time allowed at destination is more than two or three days?

787. Mr. Bruce Thomas: Three days, I think?—Yes, three days.

788. Mr. Jepson: Is that all round now?—Yes.

789. Mr. Bruce Thomas: I think it used to be more—four in the country and six in London—at one time?—It used to be more, yes, but that is until it comes under siding rent, which is rather a different thing from demurrage.

790. Siding rent, or demurrage, if it happened to be a company's wagon?—Yes. Demurrage is charged in some cases, but the charge of demurrage on coal is not universal in the country at present.

791. Mr. Jepson: What Mr. Pike means is, supposing it is a railway company's wagon loaded with coal in respect of which demurrage charges are not made, but only a charge for the use of the siding, that charge for the use of the siding does not necessarily cover the extra time that the wagon is kept by the consignee?—No.

Mr. Jepson: So that the three days might, if the consignee was paying siding rent, be extended up to a fortnight.

Mr. Bruce Thomas: Yes, and they would only be getting 6d. a day for the wagon remaining idle.

Mr. Jepson: Of course, those cases are few and far between as compared with the bulk of the traffic in Classes 3 and 4 where the ordinary wagon charge hire would be made.

Mr. Bruce Thomas: I think perhaps I had better call Mr. Pike.

792. Then you propose that a charge should be made per ton per mile?—Yes.

793. That is, of course, following the method that is adopted in calculating the conveyance rate?—Yes.

794. Can you see any reason why that method should not be adopted?—First of all, we thought, and we still think, it is a carrying out of the pledge, or if it is not a pledge, the sort of undertaking that I gave on behalf of the companies when I was giving evidence on classification, and although I have not been able to turn it up, I have a recollection that at the time the Chairman said to the traders: "If the railway companies do not put in a scale on this basis you will no doubt bear in mind what Mr. Pike has said;" so that, first of all, I should say I should like to make it clear that we consider that this is an exact compliance with the undertaking that was then given, and was pressed upon us both by the traders and by the Committee themselves. Then to-day, and going back to the Rates and Charges Order charges, it goes up in jumps of 3d., and it did seem to us that it was not quite logical, perhaps, to be charging 6d. for 30 miles under that old scale, and 9d. for 50 miles. A jump of 3d. for half a mile seems a bit big. Whereas by making it a mileage charge it would only go up in steps of a penny. Really it would go up steps, but it would go up in much smaller steps.

795. And it would not necessarily go up for every mile, would it?—No; it might go up for 5 miles or 10 miles, or something like that; it depends on the charge, of course.

796. Mr. Jepson: It would probably go up in pennies?—Yes, it would go up in pennies.

797. Mr. Bruce Thomas: It would go up in pennies, but you would get the same penny applying to 2, 3 or 4 miles because of the fractions?—Quite. Of course, taking the old scale for any distance exceeding 50 miles and not exceeding 75 miles it would be 9d. whereas at 50 miles it was 6d.; it jumps 3d. Instead of making one jump of 3d. we should make three jumps of a penny assuming the charge was the same, and the distance, of course, between 50 and 75 miles would be divided into three breaks.

798. Quite apart from what you stated and what the understanding was before the Rates Advisory Committee on classification, do you consider that the proposals which you are now making are the proper ones, and that it is the proper way to deal with this question of wagon hire?—Yes. We think it is a more equitable arrangement that the wagon hire charge when charged separately should go up per ton per mile just as the conveyance charge does, except that in the case of the wagons we are, as before explained, asking for a minimum starting charge.

799. That is for the reasons you have already given?—Yes.

800. I think the only question that arises upon this proposal is that raised by the Co-ordinating Committee, and possibly by some other persons as well, of the maintenance of the present maximum?—Yes.

801. Would you just give the Court your views upon that?—Well, we think that is rather inconsistent with the undertaking that was given that this charge, or rather the difference between Classes 3 and 5 and 4 and 6 respectively, should correspond with the charge that we were making for wagons. The scales for Classes 4 and 6 must of necessity be per ton per mile; therefore, the further you got the greater would be the gap between the two charges, and the adoption of a maximum would, of course, do

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Mr. PIKE.

[Continued.]

away with that; I do not see how it would be possible to devise a scale which would pick up that maximum.

802. I do not know that I quite understand how their proposal would work. Would it be that after 150 miles there should be nothing charged for wagon hire?—Their proposal would be this, that whatever the charge was for 150 miles, or whatever other distance was taken as the maximum, should apply however much further the distance was; that really after the first 150 miles the wagon should earn no more.

803. Mr. Jepson: After 150 miles, according to their proposition, the difference between the Class 3 and Class 5 rate would be constant?—I do not see how that could be done.

804. I mean, that is their proposition?—Yes.

805. If you got up to 1s. difference or 1s. 6d. difference, or whatever the figure might be, then there

Cross-examined

808. I understood you to say that the proposed charge for the first 20 miles would be in effect a minimum charge?—Yes.

810. Would not the goods carried in those trucks be subject to short distance charge—a minimum distance charge?—If they were going for a distance less than the minimum distance, yes.

811. I am taking the minimum distance?—Yes.

812. So that in such a case as that there would be both a minimum distance charge on the goods and a minimum distance charge on the wagons?—Yes, in the very occasional cases when the company's wagon is used for a distance less than 6 miles.

813. At all events, that would be the effect?—It would, yes.

814. Two minimum distances?—Two minimum distances?—No.

815. Two minimum distance charges.

816. Mr. Jepson: But not in respect of the same thing?—No.

Mr. Jepson: I think when we are dealing with owner's wagon traffic you have to consider that the conveyance rates will be exclusive of wagons.

Mr. Clements: Quite.

Mr. Jepson: Then, of course, anything that is carried at those rates for less than 6 miles would be subject to a 6 miles short distance charge for conveyance.

Mr. Clements: Quite.

Mr. Jepson: When you come to wagons, it is quite a different proposition. As a rule a good deal of that traffic at any rate is carried in owner's wagons, but if company's wagons are used, then at the same time, as Mr. Pike puts it, the railway companies want a minimum charge for the use of their truck, and that minimum charge is as for 20 miles. It is quite a separate thing. It is not quite right to say that the traffic is subject to two minima.

Mr. Clements: Your point being that it is not cumulative.

Cross-examined by Mr. ABADY.

822. First of all, referring to what has been termed "Pike's pledge," would you look at page 461 of the proceedings on Classification on the 28th March; have you got that before you?—Yes.

823. Will you tell me what the pledge is that you say you gave, and where you gave it?—It is a little way down in the second column there. I said: "It is difficult now to say, but the difference will not be more than we think is the fair thing for the use of wagons, taking into regard the separate charge that will be made for wagons." That is not the only question; there are a good many others, but I have not troubled to bring them all down; it cropped up again and again.

824. So far as that is concerned, that is a pledge, is it not, as to the difference which there would be

could be no greater difference even if you went for 300 miles?—Yes, that is as I understand it.

806. Mr. Bruce Thomas: So that for 150 miles there would be so much in the rate for wagon hire, and you would get so much for wagon hire, but you would get no more if it went 300 miles?—That is so, if the wagon was being charged for separately, whereas if it was charged for in the rate you would have an increasing difference.

807. Mr. Lockett: It is rather the converse of what you are proposing to do with regard to short distance traffic below 20 miles, is it not?—It is, yes.

Mr. Bruce Thomas: I do not think I need take Mr. Pike into the other objection that is raised, unless you think I ought to, Sir, because it seems to me that it does not arise on the proposals that are put forward now.

Mr. Jepson: You mean the rebates?

Mr. Bruce Thomas: The rebates, yes.

by Mr. CLEMENTS.

Mr. Jepson: It would be cumulative, of course, when the man comes to pay the money out of his pocket, but it is not cumulative so far as conveyance is concerned. It is not an additional charge for conveyance. The two charges are in respect of two distinct services performed by the railway company.

Mr. Clements: True, but it seems to me—I may be wrong—that there are cases where both would have to be paid.

Mr. Jepson: Certainly.

Mr. Clements: That is exactly what I say.

Witness: I think I would like to make this clear, because I suppose this is what Mr. Clements is getting at: generally speaking the traffic that is in Classes 1, 2, 3 and 4 is not carried in company's wagons. On lines like the North Eastern where the company supplies all the wagons for the traffic, they will not be charging this  $\frac{1}{2}$  minimum; their intention is to put in a company's wagon scale which will be on a mileage basis.

817. Mr. Clements: On the question of providing for a maximum charge that has been spoken of, is not that really a question of quantity?—Well, yes, but of course it is a question of principle that we are discussing now; it is a question of the form of the schedule.

818. But it is obviously somewhat difficult to consider it in the absence of the charge in this particular matter?—Yes; I am afraid that is a difficulty that is inherent in the whole thing.

819. It is, but it seems to me to be rather strong here. You said with reference to what has been called the pledge that has been given, that there would be a divergence between the effect of the pledge and the proposal for a zone rate, I think?—No. I said that there would be a divergence if a maximum were put upon this charge.

820. Have you looked into that very closely to see what the divergence might actually be?—It would not be anything very great, I should imagine.

821. You think it would not?—No.

in the scales between 3 and 5 and 4 and 6 respectively?—Yes; it would correspond with what we should charge for wagons if we were charging for wagons separately.

825. Now will you look earlier in the column. Did you not say this in reply to Mr. Lockett, who said: "There would be a quotation for wagon hire in the case of those classes, so it would be possible to compare them with Classes 5 and 6. (Mr. Pike.) Yes, but they would not be very effective comparisons, except at places where the two scales met, because the wagon hire charges to-day, and I assume it will be somewhat on the same principle in future, are so much for a distance of 50 miles, and so much more for any distance up to 100 miles?"—Yes, I was wrong; it should have been 75 miles.

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[Continued.]

826. As a matter of fact, it finishes at 150, does it not?—The mileage rate is for 50 to 75.

827. Is it not a fair comment to say that you were anticipating, and holding out to those who heard you on that occasion, that the wagon hire scale was in zones at present, and probably would be in zones in future. Is not that a fair paraphrase of that answer?—Yes, I think it is. I did anticipate that would be the case.

828. That is exactly the reverse of the effect of the alleged pledge, is it not?—I do not know. This is not the only occasion on which it was brought up.

829. I am not dealing with any evidence not before the Court. Mr. Thomas opened the case, there was a pledge, and I instanced this paragraph, not saying what the pledge was. I am drawing your attention to the fact that you made it clear to the Rates Advisory Committee that your anticipation was that the zone system for charging wagon hire in those circumstances still would continue?—It will still continue; but there will be 1d. zones instead of 3d. ones.

Mr. Bruce Thomas: Have you read the relevant part?

830. Mr. Abady: I have read the relevant part. I do not want to deal with that any further. (To the Witness): You say that your scale would be a zone charge for the first 20 miles, whatever the distance?—Yes.

831. And that connotes a minimum?—Yes.

832. I want to say on behalf of the Mining Association that we do not in the least object to the minimum charge; which is fair. But so far as dealing with that 20 miles in relation to the difference between, say, scale 3 and scale 5, what you propose to do is to split up the 20 mile charge, do you not?—Yes.

833. May I give you an example to see that I understand it? Assuming that the owner's wagon charge for coal were 1d. for the first 20 miles, then if a man were minded to send coal 19 miles he would have to pay 1s. 7d. for the conveyance?—Yes.

834. And supposing that the wagon hire for the first 20 miles were 6d., that 6d. would be added on to the 1s. 7d., making 2s. 1d. 2-Yes.

835. Supposing instead of sending the coal for 19 miles it was sent 10 miles, the conveyance would be 10d., would it not?—Yes.

836. And if you added 6d. on to it, that would be 1s. 4d. 2-Yes.

837. That is not what you propose, is it?—Yes.

838. Then you are not keeping the relationship between 3 and 5 when the distance is 10 miles and when the distance is 19 miles?—I agree; and that is why I made that reservation in my answer a little while ago.

839. I understood you to say you were going to accommodate that position by splitting up the minimum charge for wagons, and instead of adding 6d. you would add 3d. and keep the two scales proportionate?—Yes, if it were traffic in Class 3, and it were going in a company's wagon—which it would not; but we will assume it for the sake of argument—if it were going in a company's wagon it would be charged 3d. for 10 miles; whereas if it were in Class 5 it would be 6d. for 10 miles.

840. If you can adjust it for the first 20 miles why not adjust it and keep what was in the pledge in respect of the other zone?—For over 150?

841. No, for the other steps. For the next 50, for instance.—That is exactly what we are doing.

842. No. You are going to charge so much per mile?—Yes.

843. But you say that the reason why you are going to charge so much per mile is so that you can make an adjustment in order to keep within that pledge; and I am pointing out that you would pay that for the first 20 miles, and you say you can?—I think you misunderstood me.

Mr. Jepson: What can be the objection of the traders to say something less, say for 25 miles than for 50 miles?

Mr. Abady: I wanted to try and get out the reason of the Mining Association's objection to an alteration

in the existing system by the instance I was going to put to Mr. Pike.

Mr. Jepson: An alteration which presumably—when splitting up this all-round charge from 20 miles to 50 miles—is in favour of the traders, because you get steps of 1d. instead of 3d. or 6d.

844. Mr. Abady: I do not think there is any material difference one way or the other. The ground of our objection can be summed up in one word—convenience. We think the present system is convenient. (To the Witness): Now with respect to the existing scales themselves. There are two scales, I think; one is for distances not exceeding 20 miles, 4½d. 2-Yes.

845. Then not exceeding 50 miles but exceeding 20 miles, 6d. 2-Yes.

846. Not exceeding 75 miles but exceeding 50 miles, 9d. 2-Yes.

847. Not exceeding 150 miles but exceeding 75 miles, 1s. 2-Yes.

848. Then for distances exceeding 150 miles, 1s. 3d. 2-Yes.

849. On the Midland and North Staffordshire there is a different scale, is there not?—The only alteration is that there is no 4½d. charge. It is 6d. up to 50 miles.

850. Of course, there is nothing whatever in the North-Eastern or Scottish Railway Acts, because their scales include the provision of trucks?—Yes, and they are on the mileage basis all the way. There is no minimum in the case of the North-Eastern and Scottish Companies.

851. Then you say that supposing a man under the present system goes just beyond the 20-mile zone charge and he were 21 miles, he would have to pay 1½d. more—6d. instead of 4½d. Is that right?—Yes.

852. At present?—Yes.

853. Mr. Bruce Thomas: Pre-war?—Yes, pre-war; not at present.

854. Mr. Abady: Subject to whatever additions have been made?—Yes.

855. You say there will not be that same difficulty with your new scale?—No.

856. There are to a certain extent questions of degree because you will not scale each mile to pennyworths?—No, not pennyworths; but it is not to be threepennyworth but fivepennyworth.

857. That is merely a question of degree. A man who sends for 21 miles will not in fact be paying for one mile more than the 20?—He will be paying an additional 1d. instead of paying an additional 6d., or 5d.

858. The amount may be different but the principle is exactly the same, is it not—that you are paying in groups?—I do not know. We have had a great many complaints from traders about rates jumping up like that instead of being more graded. They do not like to see their rate for half a mile go up 1s. or something like that.

859. Would you agree with me that the question before the Court now is one which principally concerns the coal trade?—Yes, I should think probably it did. Yes, it does.

860. Would it be fair to say that it is really a practical question, in this sense, that markets as between collieries or groups of collieries, or towns or groups of towns, have been built up on a combination of the charges for the conveyance of coal and the wagon hire charge where it is used in these zones. For instance, was not there pre-war a 1s. rate from certain groups of collieries for wagon hire of 1s. or 1s. 6d., south of the Thames, whatever it was?—That is right so far as London is concerned.

861. And places down south?—Yes, London and the south.

862. That is the principal practical importance of the application of this scale, is it not?—If you will excuse me; it was rather a departure from the scale, because 1s. was charged in a good many cases where 1s. 3d. might have been charged under the Provisional Order.



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[Continued.]

863. I mean the utilisation of the wagon hire where wagons are not provided is a matter which principally relates to the conveyance of coal from those groups of collieries to London and the south?—No.

864. To a very large extent?—You are shutting out all the Birmingham district—all the Midland district.

Mr. Jepson: Do you suppose that in the future the companies will lose sight of the competition between these various colliery districts and London, and so on?

Mr. Abady: My instructions are that it will cause a great interference with the markets that have been established. For two reasons. One is that it will make differentials between collieries which do not happen to lie exactly together, and they will be subject to a different wagon hire scale on the mileage rate; and the second is, that if a maximum were adopted and got more out of the trader than they do at the present time take advantage of the maximum would be driven out of that particular market, and it would be replaced by something else. It is purely a question of practical convenience. We do not submit for a moment that railway companies intend to try and get more out of the trader than they do at the present time. I think I have made it clear that we do not object to the minimum, it is perfectly fair. On the ground of convenience we ask—it does not make much difference to the railway company—that the present system should be retained. I have put my point.

Witness: I do not quite understand.

Mr. Abady: The present scale of 20 miles, 50 miles, 75 miles, and 150 miles should be retained. Now, from the point of view of principle—

Mr. Jepson: Before you go from that other point. For the purposes of your argument you took the difference between the 4d. and the 6d.; you said it was 1ld. only; but when you came to the difference between 50 miles and 51 miles the jump was 3d. One does not know the figures which the railway companies will put in, but owing to the increased cost and maintenance of wagons, one would imagine the 6d. would go up to a higher sum, and the 9d. also.

Re-examined by Mr. BRUCE THOMAS.

860. My friend Mr. Abady said that it did not really matter very much, and he put it forward as a question of principle. Now, on principle, is it better to have a mileage scale than a zone scale if it can be worked conveniently?—We think it is a fairer way of distributing the charge.

870. One question with regard to the maximum. Is there any reason why a trader should not be asked to pay more for the hire of a wagon which is going 300 miles than for a wagon which is going 150—in principle?—It seems on principle quite a reasonable thing to do. There is more wear and tear of the wagon, and more time occupied.

Mr. Bruce Thomas: Thank you. That is all I have to put before you, Sir, on that proposal.

President: How are we to read it: For the first 20 miles or any part of it (blank) per ton; next 30, next 50?

Mr. Bruce Thomas: Yes.

President: Then remainder of the distance?

Mr. Bruce Thomas: (Blank) per ton.

President: (Blank) per mile.

Mr. Bruce Thomas: (Blank) per ton per mile.

President: Are you going to call any evidence, Mr. Abady?

Mr. Abady: No, Sir. I wanted to summarise what I put to Mr. Pike.

President: Are you going to call any evidence, Mr. Clements?

Mr. Clements: No, Sir; but I have a little to say.

President: Then will you please say it?

Mr. Clements: There is at first a small point—I do not think there is very much in it—but for the interests of accuracy it is desirable to point it out. It is this. This proposal is submitted under Section 6 of Schedule 4 of the Railways Act. That

Supposing one were 9d. and the other were 1s. 3d., which would be a jump of 6d. between the 50 miles and the 51 miles; that might be a very great grievance to the traders. I do not want to commit myself to anything just now, but it seems to me a more reasonable way of going by 1d. jumps, or something like that.

Mr. Abady: I admit that a sudden difference which seems hard in certain circumstances must be the incidence of a zone scale which goes up in jumps. It is like buying a seat for the stalls of a theatre; you pay your 10s. 6d. and you may get a decent front seat or you may get a seat right at the back of the stalls just in front of a man in the pit who has paid only 2s. 6d. As far as principle is concerned, I want to direct Mr. Pike's attention to some of the Schedules which are in these Provisional Orders, which appear to me to be on the same basis as the existing Schedule for the continuance of which I am arguing. Will you look at page 3.

Witness: I will admit at once that practically the whole of the passenger train charges are on the zone system. Then, of course, those are small things, and it is by far the most convenient way for the railway companies and the traders. In this case you are dealing with heavy tonnage.

865. Take the one on page 23. Is not the charge for empties in zones?—Yes, but there, again, it is a question of very small weights. We get many that are under 1 cwt.

866. You admit you do use the zones, but there is a reason in every case?—Yes, it is a question of degree.

867. I am asking that you should use the zone, and I am stating what I suggest is a practical reason?—When I was before the Rates Advisory Committee the traders asked for one thing and I promised to do it; now when I come before the Rates Tribunal, having given that promise, they say: "Please give us something else."

868. I do not admit you made the promise and I suggest that the people principally concerned are the coal trade who never asked for the pledge and do not want one. You have admitted that coal is the trade principally concerned?—Yes, it is.

does not appear to me to be quite correct; because if you look at Section 53, which authorises that Schedule, you will see that those provisions do not come into operation until the appointed day; and, therefore, that so far as by paragraphs (1) and (2) of Section 6 the Tribunal are empowered to determine the amount of wagon hire or the amount of allowance, that jurisdiction would not arise until then. What occurs to me is that the proposals should be submitted under Schedule 4 of the Act, Part 1; because that is the part which refers to the rates for the conveyance of goods, and it seems to me to be quite broad enough to take in the rates for the use of wagons where they are provided, because by adding that to the rate for the goods you get the total rate for the merchandise; and the converse applies where the question of allowance arises. That is all I want to say on that, but I thought it was advisable to draw attention to it.

Mr. Locket: Did I quite understand you—Section 4 (1) of the Schedule?

Mr. Clements: I had better refer to it.

Mr. Locket: Was it Schedule 4?

Mr. Clements: Yes, Schedule 4—page 76. You will see at the top of the page, "Part 1 containing the charges in respect of the goods and minerals . . ." It seems to me that the submission of charges for wagon hire fall under that, and that the submission that should be made under that is the submission of the proposals.

Mr. Jepson: Where do you find wagon hire under the fourth Schedule?

Mr. Clements: I do not find it specifically mentioned. My suggestion is that it falls under Part 1 which relates to the charges in respect of goods and minerals. For this reason, that in respect to the



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[Continued.]

charges for minerals, where the provision of the truck is not included and a truck is provided, the rate for the conveyance of those minerals is the rate for the conveyance of the goods *plus* the rate for the truck, and, therefore, it falls under that part.

Mr. Jepson: You see, under the fifth Schedule, under which this is made, it is particularly provided that "The Company may charge for the use of trucks provided by it for the conveyance of merchandise, when the provision is not included in the rates for conveyance, such sums as the Rates Tribunal determine." It is specifically provided under the fifth Schedule.

Mr. Clements: Yes, I agree.

Mr. Jepson: You mean to say that does not necessarily cover the submission of Schedules of the form in which these wagon hire charges are to be inserted?

Mr. Clements: I suggest that the submission should be under Schedule 4, Part 1, at the top of the page, as being in effect part of the rate for the conveyance of merchandise.

Mr. Jepson: What difference do you say that makes to the trader, whether the submission is under Schedule 4 or Schedule 5?

Mr. Clements: I am not suggesting it makes any difference to the trader, though it seemed to me attention ought to be drawn to it in case anyone hereafter should raise any question.

Mr. Jepson: None of these things comes into operation until the appointed day.

Mr. Clements: No; but it is a question of what you are settling them under. I do not know whether the position was made quite clear as to the present state of affairs under the Rates and Charges Order. You had your attention drawn by Mr. Bruce Thomas to Section 2 which is the main section applying to all the English Companies except the North Eastern.

Mr. Bruce Thomas: Section 9 was the only section to which I referred.

Mr. Clements: I thought you referred to Section 2. Then perhaps I had better deal with it. If you look at Section 2 of the Rates and Charges Order you will see there the particular merchandise for which the provision of trucks is not included. It is paragraph (a). Then you will see in paragraph (b) provision for the amounts by which the rates should be reduced where the company do not provide trucks. That applies to the English railway companies, excepting the North Eastern. Then if you look at page 104 of the Rates and Charges Orders you will see there Section 2 applicable to the North Eastern Company, and lower down you will see the Scottish Railway Acts section again. The provision as regards the Scottish companies is the same as for the North Eastern Railway excepting that the Scottish companies do not appear to be relieved from providing trucks for lime in bulk and salt in bulk, and so on, referred to in the general section, which is Section 2. Then there is a further difference as regards the first part of the zone. The general scale is as shown in Section 9—the first 20 miles, and so on—but for the Midland and the North Staffordshire Companies it began at 50 miles. I thought it was just as well to mention these matters so that the position might be entirely before the Tribunal in considering these proposals. Beyond that, I have very little to add. I think the shortest way in which I can put it is to say that I have here a sort of diagram which I think will show that the railway companies would not be violating the pledge to which Mr. Pike has referred if they were to fix something in the nature of a maximum charge, a point beyond which the charge for the wagons should not go on increasing. The diagram has been prepared by Mr. Barnard, the Transport Officer of the Iron and Steel Federation, for whom I am speaking; and I think he might take it up to you and show you exactly what he means by it.

Mr. Jepson: Before that is put in, could you say as a matter of practice to-day about what distances

owner's wagon traffic does travel? What is the maximum distance?

Mr. Clements: I know it considerably exceeds 150 miles in the case of some traffic—traffic such as low grade iron ore, which is fetched from a long distance.

Mr. Jepson: I suppose that is one of the traffics which probably travels a greater distance than anything else in the owner's wagon class?

Mr. Clements: Yes.

Mr. Jepson: What is the greatest distance that low grade iron ore travels, do you think, now?

Mr. Clements: There is nothing over 400 miles in 1921, according to the Ministry of Transport statistics; and only 13 tons over 300 miles.

Mr. Jepson: I was going to ask how much over 300 miles. You say only 13 tons over 300 miles?

Mr. Clements: Yes. That was in the month of February.

Mr. Jepson: How much over 200 miles?

Mr. Clements: Perhaps I had better read it.

Mr. Jepson: It is rather interesting just to see what we are dealing with.

Mr. Clements: From 151 to 200 miles, 16,675 tons.

Mr. Jepson: That is in a month?

Mr. Clements: Yes, for the month of February, 1921. In the same month, from 201 to 300 miles, 6,537 tons; and from 301 to 400 miles, in the same month, 13 tons. Over 400 miles there was nothing.

Mr. Jepson: Have you the same figures in that statement for coal?

Mr. Clements: No, I am sorry I have not. I am rightly reminded that this traffic—it is a small percentage of the total traffic where this would arise—is a heavy tonnage owing to the nature of the article; and, as you know, in the case of such low grade raw materials, the question of what the traffic will bear is a very acute one. I seem to recollect that some evidence was given before the Rates Advisory Committee where it was shown that the rate would wipe out—

Mr. Jepson: All that traffic which is travelling over 130 miles is subject to the maximum of 150 unless it is in Scotland or the North Eastern?

Mr. Clements: I think that is so. Mr. Barnard, will you now please explain the diagram to the Tribunal?

President: Mr. Pike, will you also come up and follow this?

(Mr. Barnard then explained the diagram to the Tribunal and to Mr. Pike.)

Mr. Clements: I have nothing to add on the question of the rates for the use of trucks. The second question is that of the allowance to be made where the trader provides the trucks in cases where the provision is included in the conveyance rate by the railway company and the company does not provide them. I understood my friend to say that that question does not arise.

Mr. Jepson: What is the section in the Act?

The President: It is Section 6, sub-section (2), fifth Schedule.

Mr. Clements: That was the point affected in what I was saying at the outset. Schedule 5, Section 6 (2), that is the one under which it appears to arise. But it seems to me under that sub-section the determination by the Tribunal is one to be taken on particular cases as they arise. It appears to me to point more to the question of what is an allowance being brought before the Tribunal when there is a difference between the trader and the railway company. But my submission to you here is—the one that I made at the outset—that this question of allowance properly comes before you under Schedule 4, Part 1. You see, the rate in this case includes the provision of trucks by the company; the company do not provide trucks, so it is to be reduced. That surely is part of the rate for the conveyance of goods. It seems to me that you have power to deal with that now just as much as you had power to receive a submission with regard to the charges on merchandise alone. It is, in fact, part of the rate in those circumstances; therefore I disagree with my friend when he says it is a matter which does not arise here.

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Mr. PIKE.

[Continued.]

*Mr. Locket:* I do not know whether we ought to refer to what you have told me up here, Mr. Pike, but I am not quite certain whether I clearly understood a remark of yours. Did you say that the amount to be allowed to the trader in respect of the B Class traffic where he provides his own wagons is intended to be the same as the amount he has to pay on A Class traffic where he gets the railway company's wagons?

*Mr. Pike:* No, I did not say that.

*Mr. Locket:* I understood you to say it, and I was very much surprised to hear you say it.

*Mr. Pike:* No. What was really said was this, that the difference of 5d., which was what Class 5 was over Class 3, would be the same as the difference downwards from Class 6 to Class 4.

*Mr. Locket:* Is not that the same thing?

*Mr. Pike:* No; because Classes 3 and 4 are traffics for which the traders supply wagons, and the companies rarely, if ever, do; and Classes 5 and 6 are traffics for which the railway companies usually supply wagons. The difference between 3 and 5 and between 4 and 6 will be the same. So that if you take it from 3 to 5 upwards or from 6 to 4 downwards, that is another matter. Began when you talk about Class A you are coming down to Class 2, which is quite a different proposition.

*Mr. Jepson:* For traffic in Class A or Class B, which are owner's wagon classes, the same scale of wagon hire will apply?

*Mr. Pike:* No. Class B is a company's wagon class to-day.

*Mr. Jepson:* I mean Class B as split up in the new classification—Classes 3 and 4?

*Mr. Pike:* Yes.

*Mr. Jepson:* If you have traffic in Classes 3 and 4 and traffic in Class A, for which the railway company provides the wagons, you will charge the same wagon hire scale?

*Mr. Pike:* That is so.

*Mr. Jepson:* But Mr. Locket's point was rather this: Supposing there was traffic in 5 and 6, which, as nearly as you can, having regard to the mileage gradations, will represent the addition of wagon hire to Classes 3 and 4, it does not follow that if a person provides his own wagons for traffic in Classes 5 and 6 he will have that wagon hire scale as a rebate?

*Mr. Pike:* No, that does not follow.

*Mr. Jepson:* You did not intend to convey that either?

*Mr. Pike:* No. I was talking about the comparison between traffics in Classes 3 and 5 and traffics in Classes 4 and 6.

*Mr. Clements:* The Iron and Steel Federation ask that the allowance to be made in these cases shall be made as a charge which is fixed for providing the truck.

*Mr. Jepson:* That becomes a question of quantum after all. I rather gathered from your remarks that you thought, as the railway companies were proposing a scale for wagon hire, that they should also put in a form of Schedule both under the Fifth Schedule, Section 6, and should also put in a form for the allowances of rebates to the traders where they provide their own wagons for traffics which are in a class which covers the provision of wagons.

*Mr. Clements:* I certainly think it would be competent to do so; but they have not done so.

*Mr. Jepson:* Is it your argument that they should have done it or ought to have done it?

*Mr. Clements:* I have not really made that point. All I am saying now is that these objects ask that the charges for the use of the wagons shall be made applicable as the allowance to be made when the situation arises.

*Mr. Jepson:* I quite follow.

*Mr. Clements:* In that respect in principle I am in agreement with my friend Mr. Abady in asking that that should be done, but you will hear him. I have only to say, in conclusion, that the National Council of Coal Traders concur in the representations which have been made by my friend Mr. Abady in favour of the retention of the proposed zone system.

*Mr. Abady:* If I may say a word on what may be termed the reciprocity point, so as to get it out of the way, in the ordinary Rates and Charges Orders—that is to say, those which do not apply to the North Eastern or the Scottish Railway Acts, of course the railways are under no obligation to provide trucks for Class A merchandise which includes coal, the thing with which I am concerned. But just to make the point I wanted to make, that there should be the same allowance made as authorised addition in the converse case, may I refer to what the existing provisions are? If you will look at paragraph 2—or Section 2, as it is usually termed—of the Rates and Charges Orders, you will see this: "Where for the conveyance of merchandise other than merchandise specified in Class A of the Classification the Company do not provide trucks, the rate authorised for conveyance shall be reduced by a sum which for distances not exceeding 50 miles shall in the case of a difference between the company and the person liable to pay the charge be determined by an arbitrator to be appointed by the Board of Trade, and for distances exceeding 50 miles shall be the charge authorised to be made by the Company for the provision of trucks when not included in the maximum rate for conveyance." So that what I am asking for, you will see, is what is the existing law with respect to distances beyond 50 miles.

*Mr. Bruce Thomas:* That is not the existing law with regard to the North Eastern and Scotland.

*Mr. Abady:* I am coming to it; I made the exception. I was going to say, when Mr. Bruce Thomas tried to help me—for which I am much obliged to him—that that, of course, does not apply to the North Eastern and Scottish Railway Acts, because all the rates, including coal, entail the provision by those companies of trucks. If you turn to page 104 of this Analysis of the Rates and Charges Order you will see there is a proviso with regard to maximum rates: "Provided also that where for the conveyance of any merchandise the company do not provide trucks the rate authorised for conveyance shall be reduced by a sum which in the case of a difference between the company and the person liable to pay the charge shall be determined by an arbitrator appointed by the Board of Trade." And there is a similar provision in the case of the Scottish Railway Acts. So that there are really two principles which guide you. With respect to the North Eastern and the Scottish Companies it might be said it is left an open question to be settled by arbitration; but with respect to the other rates in different classes it is definitely laid down that beyond 50 miles there shall be a reciprocal arrangement. What is to be authorised to be charged in one case shall in the converse case be authorised to be allowed. I do not deny for a moment that the new Railways Act makes a different provision.

*Mr. Jepson:* This seems to be rather strange, (b) of Section 2: "For distances over 50 miles shall be the charge authorised to be made by the Company for the provision of trucks when not included in the maximum rate for conveyance," although, as a matter of fact, they may not include such a large sum.

*Mr. Bruce Thomas:* Yes.

*Mr. Jepson:* You might find the difference for wagon hire 6d. per ton and the authorised charge may be 9d. If a trader provides it he is entitled to 9d. although the railway company may be charging only 6d.

*Mr. Abady:* That is so.

*Mr. Jepson:* It is an extraordinary provision, "and for distances exceeding 50 miles shall be the charge actually made by the company for the provision of trucks."

*Mr. Abady:* Yes; it is "authorised to be made by the company." If the company do not like to stand on their full rights in the one case they are bound to give the trader the full allowance.

*Mr. Bruce Thomas:* That is one of the very inequitable results which has followed since the Court of Appeal held that the charge had to be made from the

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Mr. PIKE.

[Continued.]

authorised rate which was the rate which happened to be in force.

Mr. Abady: That is one of the Spiller and Baker cases.

Mr. Bruce Thomas: That state of affairs will not prevail in the future, we hope.

Mr. Jepson: I do not know whether it was present to your mind—because I thought you would not make your argument so strong—that this existing legislation should be preserved if it were inequitable.

Mr. Abady: I am not sure that it is inequitable.

Mr. Jepson: I thought you agreed with Mr. Bruce Thomas just now that it was.

Mr. Bruce Thomas: If there is only 6d. in the rate for wagon hire I should have thought Mr. Abady would have agreed that to take 9d. out of it for wagon hire would not be quite fair. I think on consideration he will agree it is not very fair.

Mr. Abady: May I call attention now to the provisions of the new Act. Section 6 (1) of the Fifth Schedule says: "The company may charge for the use of trucks provided by it for the conveyance of merchandise, when the provision of trucks is not included in the rates for conveyance, such sums as the rates tribunal determine." (2) Where, for the conveyance of merchandise other than merchandise in respect of which the rates for conveyance do not include the provision of trucks, the company does not provide trucks, the charge for conveyance shall be reduced by such sum as the Rates Tribunal determine." I should have thought that the manifest intention as shown in those subsections is that when the one thing is determined the other thing should be determined.

The President: Have you anything to add on Mr. Clements' point about Section 55 that none of the provisions in the Fifth Schedule comes into operation until after the appointed day?

Mr. Abady: I do not think they do. But you are trying to get the framework of what shall happen at the appointed day. Of course, why he is raising the question of jurisdiction—

Mr. Clements: No; I am pointing out that the jurisdiction is other than is stated in the proposals.

Mr. Abady: I confess I do not quite follow.

The President: Mr. Clements' point, as I understood it, was that you are asked by the railway companies to act under Section 6 (1) of the Fifth Schedule; and then he drew my attention to the provisions of Section 55 of the Act, which are these: "The provisions contained in the Fifth Schedule to this Act (being provisions similar to those now contained in the various railway rates and charges orders) shall, as from the appointed day, apply to the amalgamated companies and the railway companies to which a schedule of standard charges has been applied." I thought he went so far as to say: "My contention upon that would be that it does not appear that at the present moment the Tribunal has power to fix the charges." But, he said, assuming that they have power to fix the charges, they should not be inserted—I am only quoting Mr. Clements' argument—as a separate provision, but that they should be in some way inserted in Part I in the Fourth Schedule in respect of charges for goods and minerals authorised to be conveyed.

Mr. Clements: Yes, that was my submission; that you are sitting really under Section 30 (2), and that under that Part I of the Fourth Schedule you have ample jurisdiction to deal with this matter, but that the jurisdiction was not present under Section 6 of the Fifth Schedule.

The President: Do you think that if your first point were right, that we have no jurisdiction in this matter until the appointed day, you can also argue that we have jurisdiction under Section 30 now, and should exercise it in the way you suggest?

Mr. Clements: Yes, I should submit that your jurisdiction existed under Section 30 from the moment the Act was passed.

The President: Yes. But then if it is a special provision for the use of trucks provided for in a separate part of the Act—namely, in the Schedule—are you

thinking that you can also insert it as an alternative provision in Section 30?

Mr. Clements: If you will remember, Sir, my submission was that under these words of the Fourth Schedule, "Part I containing the charges in respect of the goods and minerals comprised in the several classes of merchandise"—I was suggesting there that that must necessarily include the determination of the charges to be made for the provision of trucks or the charges to be made for the allowance on trucks.

President: One might have thought it in the first instance; but you are not impressed by the fact that the Act contains separate provision for the use of trucks, and, therefore, it might be argued, that being so, it was not within Section 30 and the Fourth Schedule, Part I? I am only trying to clear up what I thought was your point.

Mr. Clements: I am obliged to you, Sir. I think there must be many matters in Schedule 5 which are to a large extent a repetition of the Rates and Charges Orders which are not specifically mentioned must be in the Act.

Mr. Bruce Thomas: If we are going under Part I, does not the Act fix the form?

President: Yes. That is what I was luring Mr. Clements on to.

Mr. Clements: The powers are formed under the provisions of Section 30 (2): "The schedules so submitted shall be divided into the parts and be in the form mentioned in the Fourth Schedule to this Act, or into such other parts or in such other similar form as the rates tribunal may prescribe." I think that is quite sufficient.

President: Now, Mr. Abady.

Mr. Abady: My submission is, whether the jurisdiction arises, it would seem from the wording of (1) and (2) of Section 6 of the Fifth Schedule that these matters were intended to be determined not in the one case by the fixing of a form, which we are doing now, and a quantum afterwards, and in the other case simply on the application of an individual trader, but that the matter could be fixed in relation to the permanent scale in the same way as paragraph (b) of Section 2 of the old Rates and Charges Order. Therefore, I ask that you should, in making any decision, put it upon the railway companies that these proposals should be forthcoming and that they should be reciprocal, or that at any rate the matter should be considered generally and not with any individual trader.

Mr. Jepson: Just to follow that up. Do you say that if the railway companies had made a proposition under the Fourth Schedule for charges for wagon hire as being a part of the charges for the conveyance of traffic, that then you would have been entitled to raise this question about the rebate?

Mr. Abady: I think so; because that would deal with the different conditions under which the traffic passed.

Mr. Jepson: Supposing the submission to us had been under the Fourth Schedule—as it is suggested by Mr. Clements it ought to have been—how could you then have brought something out of the Fifth Schedule, with which we are not dealing, to get this rebate fixed and settled?

Mr. Abady: Would it not be an indirect way of getting at the form in which the charge is to be made where the wagon is or is not provided, as the case may be?

Mr. Jepson: Yes, I think it would be very indirect.

Mr. Abady: It is exactly the same as the difference between the Classification, 3 and 4 and 5 and 6. It is understood in the one case it includes the wagon hire, and it is understood in the other case that it does not. I am not here for the Mining Association with the idea of prejudicing any of the arguments put by the rest of the traders. As you know, the Co-ordinating Committee say that the proposals of the railway companies printed in this document are agreeable to them, subject to the insertion of a maximum. That, I understand, is their case.



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Mr. PIKE.

[Continued.]

The case that I am putting for the coal industry is that it is entirely different from other trades. That, of course, it principally concerns coal and the carriage of coal; and I think Mr. Pike admits that to a great extent. There are important matters connected with it which seem to inter-relate to the proposals that are put up by the railway companies for the conveyance of coal, and those are not yet forthcoming. The North Eastern scale and the Scottish scales include the provision of trucks, and their mileage distances are quite different from the mileage distances set out in this scale. There is no 20 miles there at all. We do not know what alteration will be made in the form in which the North Eastern Company will put it; but it may be that if it is different it will cause difficulties where traffic passes on one part of a system or on a system where there is a rate including the provision of owner's wagons, to a system where the rate does not include the provision of owner's wagons. I am putting it to you that that proposal affects coal. We think that the difficulty has not arisen at the present time under the present zone system, therefore we ask that the present zone system shall continue. So far as the maximum point is concerned, I think that the attitude of the coal industry would be this, that if the railway companies can show that they have to carry unfairly long distances at a maximum which is only applicable to 150 miles—I do not see that there can be any objection in principle to inserting a still higher maximum. That is a question of arithmetic only. I think that the coal industry have always met the railway companies to negotiate about these things. In the circumstances, and having regard to the difficulties and the very strong feeling the coal industry have that for practical reasons it is expedient that the present system shall continue, may I suggest with respect that whatever order you make now shall specifically say that this does not apply to wagons used for coal; and then that will give the Mining Association and the National Council of Coal Traders an opportunity of meeting the railway companies and seeing whether they can devise and agree something between them which will meet the points of the railway companies and which will meet the points of the Mining Association? As regards the maximum distance, there is a little information contained in some of the traffic returns, which information I ought to put before you. It would appear that of the coal traffic, including land sale and shipment traffic—I ought to say I cannot guarantee the accuracy of this information—about 3½ million tons of coal in the month of October would have passed for distances up to 150 miles; and as against that there will be just over 1 million tons which would have passed at distances exceeding 151 miles. Most of that 1 million tons will have passed between 150 and 200 miles—there were 700,000 tons. So that the bulk of the coal traffic apparently does not go beyond 150 miles; and of that which does go beyond most of it goes only 200 miles. That is only for one month, of course.

*Mr. Jepson:* Do those statistics say that which went beyond 150 miles was carried in company's or owner's wagon?

*Mr. Abady:* These are all based on owner's wagons receipts. These are the tons, gross, and receipts per ton mile for the month of October, 1921.

*Mr. Jepson:* But you do not know if any of the traffic above 150 miles really went in company's wagons?

*Mr. Abady:* No, I could not say; but it does give you a sort of division of the distance travelled by the traffic. With respect to—I do not like to say principle, because I do not think there is much principle involved—but with respect to the relevant expediency of having a mileage scale with a minimum or a distance scale, I put it to Mr. Pike that a lot of these scales in the Schedule were zone scales, just as the Mining Association desire, and Mr. Pike said of course he admitted all the scales for passenger trains were zones. It seems to me on looking at this

document, Schedule L on page 18, relating to the carriage of motors, I do not gather that was a passenger train thing at all.

*Mr. Pike:* Yes.

*Mr. Abady:* Then that point is false and I withdraw it. I have put my submission, Sir, and I hope you realise the culmination of it. If you will not give us our own way, will you exclude coal for the time being from this clause so as to leave it open for the parties to meet and see whether they can compose their differences?

*Mr. Locket:* I do not know, Mr. Bruce Thomas, whether this is a question you can answer at this stage or whether you are prepared to answer it, but if you could I think it might simplify matters a little. Is it proposed to perpetuate the different system of charging which applies to the North Eastern and Scottish Railways so far as trucks are concerned, in the future; and, if so, how is it going to be applied to the amalgamated companies?

*Mr. Bruce Thomas:* I can answer the first; I am not quite certain whether I can answer the second. But it is the intention. Take the London and North Eastern Railway Company, they will submit two Schedules relating to Classes 1, 2, 3 and 4.

*Mr. Jepson:* What we call the owner's wagon classes?

*Mr. Bruce Thomas:* Yes. And they will submit those two Schedules, an owners' wagon and a company's wagon Schedule; and the company's wagon Schedule will apply to the old North Eastern system and to the Scottish systems that are in that Group. Similarly, the London, Midland and Scottish will submit two Schedules for Classes 1, 2, 3 and 4, an owner's wagon and a company's wagon; the company's wagon scale applying on the Scottish constituent companies which are in that Group. Then you asked, I think, how it was going to work.

*President:* Why is it necessary to have this Schedule at all if you are going to have the two scales?

*Mr. Bruce Thomas:* This scale as it is headed is for the use of trucks provided for the conveyance of merchandise when the provision of trucks is not included in the standard rate. In all cases on the North Eastern and the Scottish Companies trucks will be included in the standard rate. This scale will not be applicable to them.

*Mr. Abady:* You said there were two scales.

*Mr. Bruce Thomas:* If you would only just listen.

*President:* Let us hear it out, Mr. Abady.

*Mr. Abady:* I am sorry, Sir.

*Mr. Bruce Thomas:* This scale I am talking about, the scale for the use of trucks, will not apply to the North Eastern and to the Scottish Companies because in all their rates provision will be made for trucks—will be included in the rates. This scale will apply to all the other companies in the kingdom because they have rates which do not include the provision of trucks. But sometimes the companies do supply trucks; for instance, I think probably the best example is the Midland; their rates are owner's wagon rates for coal in their standard Schedule, but I believe they do supply a considerable number of trucks for coal. Then this scale would be applicable to them, and applicable in any case for traffic in Classes 1, 2 and 3 where the wagon is supplied by the company; but it would have no application to the North Eastern or the Scottish companies.

*Mr. Jepson:* Do I follow that in the scale that it was proposed to submit on the London and North Eastern and the London, Midland and Scottish for Classes 1, 2, 3, and 4, including wagons—will that be limited in its application to certain areas of the country? One can understand that if you had a general scale without some limitation it might be said: "Here are the railway companies, they have submitted scales including wagons for 1, 2, 3, and 4, all over the country, and, therefore, they lay themselves out to provide wagons." Of course that would be a very big obligation for the railway companies to undertake.



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MR. PIKE.

[Continued.]

Mr. Bruce Thomas: Yes. It will be restricted to those areas where the companies are prepared to supply.

Mr. Jepson: That makes the position clear.

Mr. Bruce Thomas: Of course it will be most important from the North Eastern Company's point of view that nothing should be done which could possibly imply a right in any trader to use wagons on their system. They have gone to enormous expense in order to supply wagons, which other companies have not; and they have also made exceptional provision for dealing with traffic—I think mainly shipment coal—where they have all sorts of arrangements which would be perfectly useless if traders were able to use their own wagons; and all the expense they have incurred not only in supplying wagons, but for dealing with the traffic at these points of shipment in the particular wagons they supply, would be thrown away.

Mr. Jepson: All those reservations and limitations of which you speak will form part and parcel of the Schedules of Charges when they are submitted, I take it?

Mr. Bruce Thomas: So far as it may be necessary to make them. That is one of the reasons why we do not want to discuss this question of the rebate to be made, because it is very complicated. It does not arise on the proposals which we made, we submit, which are proposals which will only relate to those companies where there are owner's wagons scales in existence. It will not apply to the North Eastern or Scottish. Whereas the provision for the rebate will apply to those companies, if cases arose in which traders use their own wagons. Therefore, we think that is a matter which will be discussed between the parties if and when it arises; and it will very seldom, if ever, arise on the North Eastern. To what extent it will arise in Scotland I do not know.

Mr. Locket: At what stage would the traders have an opportunity of discussing it? We are discussing it on the question of principle now; will they have an opportunity of discussing it on the question of quantum when the scales come up?

Mr. Bruce Thomas: No, I think not. Take Scotland. Supposing a trader uses his own wagons for coal there—I believe a large number of them do—if a question arises as to what allowance that trader ought to have from the Scottish Company wagon rates, and he cannot agree it with the railway company, then it will be a matter which will have to be settled by this Court. That is the position to-day; and I believe the allowance that is being made in Scotland to-day is one which was fixed by the Railway Commissioners upon a difference which was referred to them.

Mr. Jepson: Is there any difficulty which arises now as between the railway companies and the traders with regard to this rebate question? Perhaps Mr. Pike will tell us?

Mr. Pike: Not that I am aware of. I do not know of any.

Mr. Bruce Thomas: This is to be borne in mind I think, that provision has been made in the new Classification for those traffics which, although they are in the higher classes, include the wagon but which are often very commonly carried in owner's wagons—provision has been made for them in the Classification itself. For instance, oils in tank wagons; they always go in tank wagons; that is specially classified, so no question arises there of any allowance being made. The view we hold is that practically no questions will arise in the future; because where traders do supply their own wagons in practice the rate is known as a wagon rate. Where the traders do supply their own wagons but it is a company's wagon rate, those have been settled by being inserted in the new Classification.

Mr. Jepson: To a large extent.

Mr. Bruce Thomas: Yes, to a large extent; and the few cases that may outstandingly there will be no difficulty in coming to an arrangement about them.

If no arrangement can be come to, then this Court has jurisdiction to determine the matter.

Mr. Jepson: I should like you to deal with the point taken by Mr. Clements and Mr. Abady as to whether this submission ought not to have been made to us under the Fourth Schedule instead of under the Fifth. It could equally have been made to us under the Fourth, could it not, as being one of the charges proposed to be made by the railway companies in connection with the carriage of merchandise and coal traffic? As it is made under the Fifth Schedule, Section 6, is it covered by the obligation of the railway companies to submit by a certain date?

President: As a standard rate?

Mr. Jepson: Yes, as a standard rate. I am not sure that it is. One does not want someone to come up hereafter and say the whole process was illegal because the submission was not in accordance with the Act; it was submitted as a standard charge whereas it is not a standard charge, it is subject to a separate Schedule of the Act, and so on.

Mr. Bruce Thomas: With great respect to my friends, this is not a standard charge at all. What we are considering now is an allowance from a standard charge.

Mr. Jepson: No; I am speaking of the scale you are proposing. Is that a standard charge?

President: Section 30 says that you must show in the Schedule the rates for the conveyance of merchandise.

Mr. Bruce Thomas: Yes. This is not a rate for the conveyance of merchandise; this is really a charge for the hire of a wagon.

President: For the use of a wagon.

Mr. Bruce Thomas: Yes. That is what I should submit this charge is. The mere fact that we find it in the Schedules, which as you will see from Section 55 are referred to as provisions similar to those now contained in the various Rates and Charges Orders—and what we have done is subject to certain modifications we have dealt with it up to the present, and propose in the future to deal with these matters just as they have been dealt with in the past. The old Rates and Charges Order has got a Schedule in it, in Section 9, for the hire of wagons. There is no reference to hire of wagons when you come to the scales which you find in Part I—scale A and scale B—they are quite different matters. I submit here that the standard charges are the charges for the conveyance of merchandise, and not the charges we are entitled to make when the railway companies lend a trader a wagon which belongs to them.

Mr. Jepson: Section 55 seems to put the wagon hire or the charge which the railway company may make when they provide wagons for traffic for which the rates do not include wagons—it seems to put it into quite a different category from these standard charges, and rather suggests it is the duty of the Tribunal hereafter to fix that after the standard charge has been fixed—after the appointed day. Then a series of things such as are included in the various Rates and Charges Orders shall apply to the amalgamated companies. One of them is this question of wagon hire. I suppose you would say that even if you had left out these wagon hire charges from the submission with regard to these forms you would have been fully complying with the provisions of the Act.

Mr. Bruce Thomas: I do not think we were bound to put forward these proposals, but I think we are entitled to. It is quite true that they cannot come into operation until the appointed day; but all we are now asking the Court to do is to approve the form in which the charge should be raised hereafter.

President: Just to follow it out. Assuming your construction of (2) is right, that it is a matter for the people interested from time to time to apply to the Tribunal; and assuming you are also right in what I understood to be your contention that there were very few outstanding cases, or likely to be under (1), because you said most of them had been covered now—or a great many—why does not the same argument apply to (1) that it should be competent for the

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Mr. PIKE.

[Continued.]

railway company to come and ask? Why should two courses of procedure be adopted, so to speak, if in every case the amount of cases to be dealt with is comparatively small; why should a rule be laid down on principle in the one case and no rule on principle be laid down in the other case?

Mr. Bruce Thomas: Might I just deal with the question you have put? Under (1) a fair number of cases will arise—for instance, mainly coal, of which my friend Mr. Abady has spoken—and we must know, this is a case where we are going to levy a charge, before the appointed day and before we submit our schedules, what revenue we expect to get from levying those charges, and, therefore, we want the form settled. When you come to sub-section (2), that is where there will have to be an allowance. There we think that the cases will not be many; indeed in most cases we think it will not operate very much; therefore it is not so necessary that we should know before the schedule are deposited exactly how we stand, although of course it has some importance with regard to coal in Scotland, where the coal rate is a company's wagon rate, and where the traders do supply a certain number of their own wagons. I do not know what the percentage exactly is, but under section 6, sub-section (1), under which this proposal is made, we shall get a certain amount of revenue. We want to know exactly where we stand, because when we put our proposals forward involving the quantum of the rate, we shall have to make some estimate of what our revenue will be; so that is a matter we submit that ought not to be left in the air to be decided as and when each case arises.

President: But you say it is not a standard.

Mr. Bruce Thomas: I say it is not a standard charge under section 30.

President: Have we any obligation to settle a form for something that is not a standard charge?

Mr. Bruce Thomas: We have to put in our schedules at the date that has been mentioned—I think it is the 30th June. Now we are to proceed in this matter unless it is decided beforehand whether this charge is to be made in 1 mile breaks or whether the old procedure is to be adhered to.

President: Of course, I have not, at least, the idea what in money value that would amount to.

Mr. Bruce Thomas: I am afraid I do not know, but still some of our revenue is obtained from this source.

Mr. Jepson: And a very substantial revenue, of course, from coal and other mineral traffic carried in company's wagons; is derived in this separate charge made for wagons.

Mr. Bruce Thomas: I am told that because this is a portion of the revenue that cannot be disregarded, and that ought to be settled beforehand, these proposals were put forward.

Mr. Locket: And the revenue from this item would be of such a substantial amount of course, that it could not be ignored.

Mr. Bruce Thomas: It could not be ignored.

Mr. Locket: Does the same condition apply to any other of the charges included in the Fifth Schedule? There are a number of provisions in the Fifth Schedule as regards charges.

Mr. Bruce Thomas: Yes, in paragraph 11, for instance.

Mr. Locket: They have to be calculated or provided for?

Mr. Bruce Thomas: They have to be estimated. It is quite clear that with regard to the services rendered by the company at or in connection with private sidings no scale can be suggested; that has got to be settled when one knows what work is being done at the siding. Every case there has got to be dealt with on its merits.

Mr. Abady: I do not like to interrupt, but I think it will help the Tribunal if I say this: as regards the effect on the revenue, of course, the total revenue the companies can collect will be affected as much by

deductions from the standard charges which they may make as by additions to them, and I understand in Scotland there are 50 per cent. of private owners' wagons.

President: I understood from Mr. Bruce Thomas that that would not be so.

Mr. Bruce Thomas: I said, with regard to Scotland, that sub-section 2 was a more substantial matter than in England, because of the coal wagons, but that is only as regards Scotland. So far as England is concerned, I am told that sub-section 2 is not very important; it does not involve a large deduction.

Mr. Jepson: As compared with the revenue derived from the charging of wagon hire on 1, 2, 3 and 4, it would not be worth talking about.

Mr. Bruce Thomas: I am told that is a fair way of putting it; it is small.

Mr. Jepson: I think you are quite right in trying to get a form of wagon hire to get the principle of this wagon hire settled, because it is such an important thing; the only question is whether it is right under 4 to bring it in, or whether you ought now to do it under 5. One does not want any objection raised hereafter that is going to make all our proceedings to-day futile. I think it is quite right that the railway companies should have their position on this wagon hire question defined at as early a time as possible, and it would have simplified it very much if this had been one of the standard charges. It may be due to the scheme of the Act, but you see the point.

Mr. Bruce Thomas: Assume for the moment that my friend Mr. Clements' suggestion is right that this ought to have been provided under the Fourth Schedule, I do not quite follow where that leads or what difference it makes. It is probably my stupidity, because I understand Mr. Clements knows where it leads.

President: That would be only to put us in order, I gather.

Mr. Bruce Thomas: It is just a mere technicality.

President: If he is right he would say this becomes or is a standard charge, and is a portion of the schedule rightly under 4; that is his point—I do not know whether it is a good one or not, but that is what I understand him to say. My suggestion to him upon that was that probably he might be wrong with regard to that, because this matter has been specifically provided for by the Fifth Schedule, and if you have a specific provision in the Fifth Schedule it does not seem as if it was meant to be included in some other schedule.

Mr. Bruce Thomas: No. Anyhow, when you find a specific provision in some schedule there seems to be no need to struggle hard to try and put it in some other schedule.

President: No, except that it might put you right, assuming we were to say: "We cannot exercise the powers under 5 until the appointed day", it would be a help to you in that emergency.

Mr. Bruce Thomas: I do not know whether anybody is objecting, saying that the Court has no jurisdiction to fix this schedule; I do not think that is suggested.

President: "Willing to wound and yet afraid to strike." Mr. Clements got up and said he would like to call it to my attention. He said it was an interesting point, but whether he attached any importance to it himself, or whether it was something for me to play with, I really do not know.

Mr. Clements: The reason was the reason that Mr. Jepson himself has mentioned—in case some litigious person should come hereafter and question the proceedings. I was merely suggesting to the Tribunal, if we did not come under the one we came under the other, and I submit and still think that by force of Section 30, sub-section 2, the Tribunal are perfectly entitled to deal with it now as part of the schedule of standard charges. Of course, one may remember, if there is any conflict between Section 55 and the schedule, Section 55 overrides it, and therefore you would have power to determine the formal part.

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Mr. PIKE.

[Continued.]

Mr. Bruce Thomas: In case some such litigious person should be invited by this document, I suggest, that you might strike out of our proposals: "Fifth Schedule, Section 6," and leave nothing there except: "Provisional proposals of the railway companies in respect of the form of schedule of charges which a company may make for the use of trucks provided by them," etc.

President: I do not know whether the other side take serious objection to this. I do not want the time to be wasted. We have inquired into it, and we are prepared to decide it, but if the moment we have decided it is open to any gentleman to come and say that the whole thing is *ultra vires*, it is not worth while our troubling our heads about it.

Mr. Bruce Thomas: I do not see how it can be suggested that it is *ultra vires*, but this is quite certain, that when we deposit our schedules we shall have to show revenue from this source—the revenue which we anticipate we will get from this source after the appointed day. Unless we have some guidance upon this now, the whole of our estimates under that heading might be quite worthless.

Mr. Jepson: And with your standard charges you will submit schedules in a form that we may prescribe for this wagon hire showing the charges proposed to be made for wagon hire.

Mr. Bruce Thomas: Certainly.

Mr. Jepson: Although it does not strictly come under Section 80.

Mr. Bruce Thomas: At a later stage we are going to ask you to insert the price per ton.

Mr. Jepson: It does rather strike one as a little important having regard to the consequential things, because if this were a standard charge there is of course the other consequence as regards the appointed day when the charges come into operation that all previous legislation with regard to charges goes—I am not quite sure whether it does with regard to matters referred to in the Fifth Schedule. If you submit those wagon hire charges to us and we approve them, does it necessarily cancel all previous legislation with regard to wagon hire charges?

Mr. Bruce Thomas: Section 34 deals with all provisions with respect to charges for or in connection with the carriage of merchandise. Those who want to say that the old legislation has been repealed would have to contend that this is not a charge in connection with the carriage of merchandise.

Mr. Jepson: Just read on—"or of a railway company to which a schedule of standard charges is applied, shall to the extent to which those provisions relate to the matters aforesaid be repealed and cease to be operative."

Mr. Bruce Thomas: Yes, "relating to the matters aforesaid" is relating to charges for or in connection with the carriage of merchandise.

Mr. Jepson: Well, if you are satisfied, Mr. Thomas, Mr. Bruce Thomas: It would be highly inconvenient if this schedule were not settled now.

Mr. Jepson: I think it is the right thing to settle it now.

Mr. Bruce Thomas: I do not think anybody will be heard hereafter to question the right of the Tribunal to settle that schedule.

Mr. Abady: May I point out that Section 55 presupposes that a schedule of standard charges has been applied to an amalgamated company at the appointed day, and as from the appointed day the provisions of the Fifth Schedule shall apply to such a company. If it were intended that the scale of wagon hire should have been a standard charge there would have been no sense in putting in Section 6, because you have, first of all, to have before you a railway company with a schedule of standard charges, those having been fixed. Now, when you have a company with a schedule of standard charges as from the appointed day, the provisions in the Fifth Schedule shall apply, and one of the provisions is that the company which has a schedule of standard charges shall, with respect to the use of trucks, charge such sums as the Rates Tribunal determine,

and it does not seem to me in continuation of this discussion that the charge per wagon hire can be a standard charge.

Mr. Bruce Thomas: I do not know that I can say anything more about that subject. We ask you to settle this schedule in the form that we have proposed it. We think it is essential that it should be done. Without it there will be some unknown factor when we come to deposit our schedules, and the result of not knowing that factor will be that we shall find it exceedingly difficult to produce an estimate that will be of any use to the Tribunal when we try to show what our estimated standard revenue will be.

President: There are several other items which you have to estimate as well, are there not?

Mr. Bruce Thomas: No doubt.

President: I do not mean to say that that is an argument for increasing them, but a great many of the provisions in the Fifth Schedule, especially in paragraph 11 (1), (2) and (3), are to be estimated by you.

Mr. Locket: Collection and delivery will have to be estimated, will it not?

Mr. Bruce Thomas: We know under 11 what our revenue under those heads is to-day.

President: Do not you know it in the other cases—in the wagons?

Mr. Bruce Thomas: In the wagons we are proposing a different scale from the scale which is in existence to-day. We are not proposing zones; we are proposing a mileage scale.

President: Suppose you have a certain amount which is the product of your wagon business in any specific year, I suppose you would know the result approximately that any alteration of the scale would give you? You would know whether it gave you 10 per cent. more or 10 per cent. less, or whatever the percentage was?

Mr. Bruce Thomas: It does not matter which scale you take, the gross sum that you will obtain from this particular source will be more or less the same.

President: When your advisers went into that with a view to altering the system of charge they must have done it knowing whether it would go up or down, and to what extent. Supposing they made £500,000 by it.

Mr. Bruce Thomas: This is a difficulty we should be in: On the appointed day we should not know what we were entitled to charge.

President: No; you would have to come to us at once.

Mr. Bruce Thomas: We would at once have to come to the Tribunal. You might have these disputes going on between companies and a large number of traders, and I do not know how long it would take to determine them, but the companies in the meantime would, of course, not be able to impose any charge; they would not be able to collect any charge. That is a state of affairs with regard to charges at private sidings which have been specifically provided for in the Act. In Section 61 you will find that provision is made that until whatever is a proper sum to be charged in respect of those services has been settled by the Tribunal certain charges are to be payable, and provision has been made for that, but with regard to the use of trucks we shall have no authorised charge at all on the appointed day unless the Tribunal has settled it beforehand.

President: If it is a service that you can give, would you not be free to charge what you liked for it?

Mr. Bruce Thomas: No, because we are only entitled to charge such sums as the Rates Tribunal determine.

President: I see. You want our decision first?

Mr. Bruce Thomas: Yes.

Mr. Jepson: It might come in the sweeping-up clause at the end of 11 which gives you the right to charge a reasonable sum for "any accommodation or services provided or rendered by the company within



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Mr. PIKE.

[Continued.]

the scope of its undertaking and in respect of which no provisions are made by this schedule.

Mr. Bruce Thomas: Yes, but even so, we cannot recover one penny piece. If I say: "I am going to charge 6d. for that wagon" and the trader says: "That is unreasonable," you cannot touch him, and the Tribunal has to determine. Our authority on the appointed day is to charge for the use of trucks such sums as the Rates Tribunal determine. We are entitled to charge that as soon as the appointed day comes. How can it be said that this Court has not jurisdiction to say before the appointed day what shall be charged on the appointed day?

President: The Tribunal, after hearing the arguments on each side as to the jurisdiction of the Tribunal at the present time in this particular matter, are willing to take, if there is any risk, the risk of dealing with this at once, and the decision of the Tribunal is that the provisional proposals of the railway companies as deposited stand.

Mr. Bruce Thomas: I was asked by Mr. Lockett what the intentions were with regard to depositing different scales of rates for companies' wagons and owners' wagons, and I refer only to the North Eastern and the Scottish Companies. I wish to add that it may be that the southern companies will desire to deposit companies' wagon scales for Classes 1, 2, 3 and 4, because they have, to a very large extent, provided wagons, and they may possibly require to maintain that position in future. I only said that lest by

(Adjourned for a short time.)

Mr. Bruce Thomas: With your permission, Sir, I am going to call first a gentleman who will deal with

Mr. CHARLES EDWIN BIRCHTHORPE, sworn.

Examined by Mr. BRUCE THOMAS.

871. You are the chief season ticket clerk of the London, Midland and Scottish Railway, Midland Section?—Yes.

872. And you were the chief season ticket clerk of the old Midland Company?—Yes.

873. I think for three years you have been Chairman of the Clearing House Season Ticket Clerks' Conference?—Yes.

874. I think that you gave evidence before the Rates Advisory Committee in 1921 on the question of season tickets, did you not?—Traders' season tickets.

875. Have you prepared a statement which shows the scales which are in operation for season tickets on 15 different railways?—That is so.

876. That is the table, called "Pre-war rates for ordinary annual season tickets"?—Yes. (Table put in and marked "B.T.1.")

877. Does this scale show that there are a very large number of different scales in operation on the different systems that are named?—Yes. In addition to the 15 scales which are shown may be termed the general scale in operation on those various companies' lines, each, and I might say, every, company have also other scales in operation on those lines according to the varying districts in which they operate.

878. Just take one of those scales, for instance, the 5-mile scale in the centre of page 2; that shows what the scales are for 5 miles on the 13 companies that are named in the first column?—15.

879. We can see how such variations there are. The scales that you show in these tables are what may be called the ordinary scales in operation on each company's system?—Yes.

880. And they vary between the different systems; they are not uniform scales?—That is so.

881. I am for the moment confining myself to "under 30 miles." In addition to this normal scale, has each company got different scales in existence to meet varying conditions of different parts of their individual systems?—That is so.

882. I think you have some examples: for instance, the Great Western Railway Company have eight

omitting to mention it before I should have given the impression that they had decided only to deposit owners' wagon rates for those classes.

Mr. Jepson: That is, for such things as imported coal, and so on, through the ports.

Mr. Lockett: Or Kent coal.

Mr. Jepson: Or Kent coal, yes.

Mr. Bruce Thomas: I have not the details, and I do not know anything about it.

Mr. Lockett: I am very much obliged to you. I suppose should they decide to do that some opportunity will be afforded the traders of arguing on the point as to whether such scales should be adopted.

Mr. Bruce Thomas: Undoubtedly it will come up on the question of quantum.

Mr. Pike: There is only one more scale in the book, and as there is no opposition to that probably you would dispose of it before we adjourn; that is the insurance scale on page 24. The alterations that have been made in it are merely drafting alterations. It starts at £50 now instead of £25 as in the past, because the limit of liability under the Carriers Act has been raised; there is no objection to it.

President: Very well. The only question now on this blue print other than the passenger matters is the question with regard to some provision of terminals in the empties scale at the top of page 23.

Mr. Bruce Thomas: Yes; so far as merchandise is concerned, that is all.

the question of season tickets and the varying scales that are in operation on various companies' systems.

different scales, have they not?—Yes. That arises through the grouping, if I may mention it, owing to the various localities. These scales have had to be incorporated, and at the present time the Great Western have no less than eight different scales in operation on their system.

883. Which are exceptions to the Great Western scale which you show here?—That is so.

884. Just to take it one step further, apart from those two scales, the normal scale and the exceptional scale, are there still a large number of exceptional rates in existence for season tickets?—Yes, on every system. Those rates have arisen through what may be termed the local conditions, that is to say, competition with road by motor or by bus competition or competition with other companies, whose geographical position enables them to show a shorter mileage between two given points which may be common to two or more companies.

885. Then the Lancashire and Yorkshire have got five different scales, have they not?—Yes, the old Lancashire and Yorkshire.

886. The Midland have three different scales?—Three general scales.

887. Three general scales varying from the normal scale?—That is so.

888. And the North Western have four scales which differ from the normal scale?—Yes—I am not sure whether it is three or four, but I think I am right in saying four.

889. Then upon each of those systems you find variations from that second class of scales that I have mentioned?—That is so.

890. Would you give the Court one or two illustrations of the variations that are in existence from the scales?

Mr. Jepson: Do you mean from this general scale? One would like to have some illustrations of the reason for, say, three different general scales on the Midland, apart from the general scale shown, here.

891. Mr. Bruce Thomas: Will you just deal with that? On the Midland you have three, what we call,



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[Continued.]

exceptional scales?—Yes. May I take 5 miles? The 5 miles scale rate on one scale is £10 18s. 11d. first class for 12 months, but between Birmingham and King's Heath, a distance of 5 miles, we charge £9 0s. 6d., between Bristol and Mangotsfield we charge £8 10s. 1d., and between Nottingham and Plumtree, still 5 miles, we charge £9 13s. 9d. If we compare that with another scale which we have in operation in the Manchester district the scale rate in that case would be only £7 14s. 0d. as compared with those figures of £9 0s. 6d., £1 10s. 1d., and £9 13s. 9d. I might also give you a comparison with another scale that we have in operation in one district on the Midland Railway where the scale rate would be £11 5s. 0d. as against the three items I have given you of £9 0s. 6d., £8 10s. 1d., and £9 13s. 9d. The three scale rates in those cases are £10 18s. 11d., £7 14s. 0d., and £11 5s. 0d., showing the wide difference there is even for 5 miles on one company's system alone.

892. *Mr. Locket*: Where does the figure of £7 5s. 11d., which is on this list, come in; that has not been mentioned in any of the scales?—That is subject to 50 per cent. increase.

893. I see; these are the basic scales?—Yes.

*Mr. Bruce Thomas*: With regard to those last three figures that you gave, £10 18s. 11d., £7 14s. 0d., and £11 5s. 0d., is the £11 5s. 0d. what we originally called the normal scale?—That is a scale that we have been compelled to put into operation in the Leeds, Bradford, Otley and Ilkley district. What we should term our own general scale would be £10 18s. 11d., but these are two other scales that we have been forced to put into operation in various parts of the line in addition to the other scale that I have referred to.

894. Now you have similar illustrations of the two scales and the variations from both those scales upon the North Western system, have you not?—I can give you one or two examples.

895. Have you got a spare copy of this which you can hand to the Court?—Yes. (*Document handed to Chairman*.) You will notice there that the scale rate for the 6 miles on the North Western is £9 3s. 0d.; this is their general scale rate. As against that for the same distance they have rates of £9 12s. 6d., £7 1s. 0d., and £7 14s. 0d. I have taken three examples for the 7 miles which show an even greater variety, and also there are examples for 8 and 11 miles.

896. Is that state of affairs typical of what one finds on practically all the systems?—That is so.

897. Have you got any other examples that you wish to draw attention to?—I should like to draw attention to one or two on the Great Northern if I may; I am sorry I have not any further copies of this. The Great Northern for 5 miles have varying rates, Nottingham and Gedling £7 14s. 6d., Leeds and Stanningley £9 4s. 6d.

898. *Mr. Jepson*: Is that 5 miles also?—Yes, and Bradford and Queensbury £10 16s. 0d., and King's Cross and Wood Green £14 12s. 6d.

899. Taking the Great Northern which of those figures is the normal scale?—The normal scale would be £9 7s. 8d.

*Mr. Bruce Thomas*: That is pre-war; that is plus 50 per cent.; what is that?

*Mr. Jepson*: £6 14s. 1d., I think.

900. *Mr. Bruce Thomas*: So that on the Great Northern there is, what we call, the normal of £14 1s. 6d., which is the one shown in the table handed in, and then you have four other scales for the same distance £14 12s. 6d., £10 16s. 0d., £7 14s. 6d., and £9 4s. 6d.—That is so.

901. All 5 miles?—Yes.

902. Five varying scales for the same distance?—That is so.

903. *Mr. Jepson*: Would you find the same thing happens with regard to the 10 miles? These short distances are not peculiar, I suppose, as regards exceptions to the scale?—I can give you 10 miles.

904. Could you jump up to 20 so as to make a bigger break?—I did not get 20; I got 5 and 10 because those are approximately the bulk of our residential travel, and that, I take it, is what we were referring to under the 30 miles. I have the 5 and the 10, and they show just as wide a disparity.

905. I see in regard to the South Eastern and Chatham, for instance, there is nothing shown as third class season ticket rates for the first 5 miles. We get them for 6 up to 25, and then after 25 you do not get any third class at all, so that it seems, according to this table, that the South Eastern and Chatham do not issue third class season tickets for under 5 miles, that they do as between 6 miles and 25 miles, and then after 25 miles, as far as I can see, they do not issue third class season tickets at all?—I think that is their minimum. These are from the figures supplied to me.

906. *Mr. Locket*: The figure of £7 would apply to 7 miles, and any shorter distance?—I am afraid that would not be so, because you have a first class rate of £5 2s. 0d. for one mile.

*Mr. Bruce Thomas*: I am told by the representative of the South Eastern and Chatham that they have a limited range of third class seasons, but they have second class season tickets.

*Mr. Jepson*: I see; the seconds are not brought in here. Of course, the South Eastern and Chatham do still run second class carriages down to the coast, and so on.

*Mr. Bruce Thomas*: Everywhere, I am told.

907. *Mr. Jepson*: With regard to these pre-war rates that you put in, are we to take these as the standard scales for season tickets and the others that you spoke of, three in the case of the Midland, four in the case of the North Western, and three or four in the case of the Great Northern, as exceptions to the standard scale?—We do not call it a standard scale; we call it a general scale.

908. I mean the general scale?—Yes; but in some parts of the line we have to adopt another scale worked out in miles which we have to put into operation owing to the local circumstances. In addition to that we have exceptional rates that have no basis which are governed by the fares charged by local competition in the way of trams and buses. In those cases, in order to compete with them, we have had to cut out our scale rates entirely and do something more approximating to the same charge that they would make for so many journeys. Those, of course, bear no relationship whatever to the mileage scales that we have in operation on the line.

909. *President*: Have these a very wide application?—Yes. These are, what we term, the general scale that we put into operation where there are no outside influences.

910. I should have thought outside influences operated in a good many cases?—They do in many cases—in all the populous areas—but we have got these varying rates.

911. Yes, I see that?—We have these exceptional rates in every large centre. In London, Birmingham, Bristol, Manchester, Sheffield, Leeds, Bradford, Nottingham and Leicester, where we have a population of what I might term mechanics, and those people, going into the towns, we have in every case very low rates in operation to compete with the local trams.

*Mr. Bruce Thomas*: Would you say that a larger number of season tickets is issued upon, what we call, the exceptions from this scale than the number that is issued upon this scale?

*Mr. Jepson*: Do you mean in the aggregate?

912. *Mr. Bruce Thomas*: Yes.—I should say that we issue more tickets on the exceptional rates than we do on these scale rates, because these exceptional rates are in operation in the large centres where the bulk of the traffic passes.

913. That was the information that was given to me. So that if anybody had this scale it would not necessarily be any guide to him as to what rate he was going to pay for any particular season ticket.

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[Continued.]

though he knew the distance?—We do not issue that scale to the public.

914. I am just assuming for the moment that this scale was in the hands of the public?—Yes.

915. It would not be of any assistance to a person to find out what price the company would charge for a season ticket even if he knew the distance between the points?—No.

916. I think you have got a special memorandum relating to the season tickets which are issued by the Scottish companies?—Yes. (*Table put in and marked "B.T.2."*)

917. Generally with regard to that memorandum, is the position as to variations in season ticket scales in Scotland similar to the variations in England?—That is so.

918. There are some seven different scales in operation, are there not, in Scotland?—Yes.

*President:* So it says here.

919. *Mr. Bruce Thomas:* This memorandum shows how the prices work out on the four principal scales?—Yes.

920. There is a general scale in operation on the Caledonian, the Glasgow and South Western and the North British sections?—Yes.

921. Then there is an intermediate scale on certain companies' railways, and there is a suburban scale?—Yes.

922. Then there is another scale called the North scale on the Caledonian and North British sections?—That is so.

923. Then you have shown in the table how those scales vary. Then again in Scotland as in England you have exceptions to those scales, have you not?—That is so, especially in the shipbuilding districts.

924. *Mr. Jepson:* Was talking a few minutes ago about the variations in the 20-mile scale. The four 20-mile scales are given on this table and there are fairly substantial variations there?—Yes.

925. Have you prepared a statement which shows the percentage difference between the highest and the lowest season ticket rates which are in operation in all companies' systems?—That is so. (*Table put in and marked "B.T.3."*)

926. To go back to the Scottish table for one moment, the Scottish companies issue tickets for all periods, from one month to 12 months, while in certain cases tickets are granted for a week and a fortnight. It shows that a large number of scales would be required if that system were continued. Now in the last column of Table "B.T.3" you show the percentage difference between the highest and lowest of third class seasons, and the greatest variation is what?—46 per cent.; that is, in the first class.

*Mr. Jepson:* That is for one mile.

*Mr. Bruce Thomas:* And also three miles.

*Mr. Jepson:* Yes.

*Mr. Bruce Thomas:* And in the third class it varies from 43 per cent. to 16 per cent. You will see there is a great variation at 20 miles between the highest and the lowest—36 per cent. in the third class.

*Mr. Jepson:* Although these are expressed as percentages of difference, they are the percentage which the lowest bears to the highest, are they not?

*Mr. Bruce Thomas:* Yes.

*Mr. Jepson:* They are not the percentage of the highest over the lowest.

*Mr. Bruce Thomas (to the Witness):* Which way have you put it, Mr. Birchthorpe?

927. *Mr. Jepson:* It is the percentage of the lowest to the highest, is it not?—That is so. These figures are based on the statement you have, "B.T.1."

*Mr. Bruce Thomas:* I propose now to leave the 1 to 30 miles scale and go to the longer distances.

928. *Mr. Jepson:* Before you depart from this, I should like to ask Mr. Birchthorpe a question. Is it in the view of the companies, or is it a thing that you would not call practical politics, to try and round off all these different scales now under the grouping system? I was wondering whether you would find that the circumstances are so strong that you would have still to continue, notwithstanding that you are now part of a big group, those exceptional charges

below the scale?—I believe it will be the intention of the various groups to try and arrive at some sort of uniformity, but it cannot be possibly obtained in these very low exceptional rates. I am afraid we could not arrive at anything like standardisation with regard to these, because they are fixed on the local circumstances and are issued at a very low rate, and any attempt to raise those would, of course, raise the ire of the present season ticket holders.

929. That is what I mean. Although you may, now that several companies are grouped, try and arrange a common general scale, yet at the same time you will find that the same circumstances which led to the quotation of these low charges for residential purposes will still hold?—Yes.

930. And will still be powerful enough to make you charge exceptions to the new general scale?—We should still have to recognise that powerful influence, because of the mass of traffic that we have in those districts where the rates are so very low.

931. Yes; I just wanted your opinion.—Those will still hold, yes.

932. *President:* There was a gentleman who came from Brighton; I do not see him here to-day. He was interested in the Brighton season tickets, and he was dreadfully afraid that the amalgamation of the Brighton Company with the London and South-Western would lead to a levelling up of the Brighton season tickets, and he thought that there would be no influence after the amalgamation that would keep the Brighton season tickets down; what do you as a practical man say to that? He is not here to-day, and I am asking the question on his behalf simply for information.—I do not think there is any intention on the part of the railway companies to put the rates up.

933. If they did would local considerations still have the same influence as they have had in the past, or would other considerations apply?—If the companies are allowed the same free hand as they have at the present time, I may say with every confidence that there is no intention of raising the basis of the rates in these districts.

934. *Mr. Locket:* The relative position of the various localities would remain as at present?—Certainly, if we are allowed a free hand.

935. *Mr. Bruce Thomas:* In their relationship to whatever fare may be fixed as the standard fare for your ordinary passengers?—That is so; it will bear the same relationship in proportion to the ordinary fare. At the present time the season ticket rates are the same as the ordinary fare—50 per cent. over the pre-war figures. I say there is no intention of the railway companies, if they have a free hand, to go beyond the same proportionate increase that there is now with regard to ordinary fares.

936. *President:* You think the gentleman from Brighton may be satisfied that you are not going capriciously to raise the level of his ticket simply because you have amalgamated with the London and South-Western?—If we are under the same conditions as we are now we should not do so, but if we were forced to adopt a standard fare, I suppose automatically he will have to come up.

937. He is not here, but I thought I would just ask you the question on his behalf?—There is no intention of the railway companies at present to increase the proportion of charges for their tickets.

938. He said that the charges on the London and South-Western are higher than the Brighton, and the tendency will be to level the Brighton up to the London and South-Western, but I understand from you definitely that that is not the policy of the amalgamated companies?—That is not the policy of the railway companies at present. What they may be forced into, of course, I cannot say. It is for you gentlemen to say what you are going to make us do.

939. You mean with regard to the standard?—Yes.

940. That is what is in your mind when you say you do not know what you will have to do?—Yes.

941. *Mr. Bruce Thomas:* What you will have to do under the direction of a higher power?—That is

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[Continued.]

what I mean. If you tell us that we have to bring these rates up we shall have no option.

942. *Mr. Jepson*: In other words, supposing this Tribunal said: "We think standard scales will have to be fixed for season tickets," and when you came to the quantum it would be something less than the general scale or a mean of your general scales, that would mean that as the railway companies would be losing revenue in all those cases where they had to pull down to the general scale they would have to recomp themselves by putting up everything that was below that general scale?—They would have the right to do so.

943. As far as they could practically do it, they would?—Yes.

944. *Mr. Bruce Thomas*: And they would have to do it, would they not, if the season ticket traffic was to produce the same proportion of the total net revenue that it does to-day?—Either that or something else would have to find the revenue.

945. Ordinary passengers or possibly goods?—Yes, ordinary passengers or increases in the goods rates.

946. Then on the other hand, if instead of trying to find a mean line in the hope that one would be able to bring most of the fares up to that line a scale in the nature of a maximum were fixed, that would not be of much assistance to the gentleman from Brighton, would it?—No, because if a maximum is fixed, I take it the companies would still have the right to bring any of their fares up to that maximum. On the other hand, the companies would not be enabled to charge more than that maximum.

947. Now for the longer distance there is a scale in existence which is known as the Clearing House scale, is there not?—That is so. (*Table put in and marked "B.T.4."*)

948. This is the scale of rates from 31 miles to 1,000 miles in operation on and from the 6th August, 1920. How many companies adopt that scale?—In its entirety?

949. Yes?—Four, the North Western, the Great Northern, the Great Central and the Midland in its entirety.

950. How many companies adopt it partially—the Great Western and the South Western, I think?—Yes.

951. And the remaining nine large companies do not adopt it at all?—No.

952. Those companies that you have said adopt it in its entirety, have they any variations from it?—On the mileage?

953. Yes?—No; we charge the mileage in every case in those tickets. We have in about 4 cases what we call an agreed mileage where the two extremes are competitive, but still it is in that case on this scale of mileage.

954. You agreed a mileage?—Yes; and charge it on the scale.

955. In the first document I put in, B.T.1, there you will see that the scales go up to 30 miles—they go up per mile to 50—we have shown the scales in that so that they can be compared with the Clearing House scale right up to 100 miles, only we have given them every 5 miles after 50 instead of every mile?—Yes.

956. *Mr. Jepson*: Do we take it that from 31 miles onwards the figures in B.T.1 agree with the figures in B.T.4?—Yes, in the case of the Midland, North Western, Great Central, and the Great Northern. Those are the companies.

957. That adopt it entirely?—Yes. But not necessarily with the other companies.

*Mr. Jepson*: Thank you.

958. *Mr. Bruce Thomas*: What about the 50 per cent.? Has the Clearing House got the 50 per cent. in?—Yes, that is included.

*Mr. Bruce Thomas*: So that with 50 per cent. on B.T.1 you get the figure in B.T.4.

*Mr. Jepson*: Yes.

*Mr. Bruce Thomas*: What about traders' tickets?

959. *Mr. Jepson*: Before you leave season tickets, are you going to give us any approximate statistics? Approximately how many tickets, or what percentage of tickets, are issued for distances for 31 miles and over as compared with those under 30 miles?—Not above 6 per cent.

960. So that you would say, except for places like Brighton, and so on where for 50 or 60 miles a particular company has a reason for encouraging residential traffic, residential traffic may be taken within the limit of 30 miles?—That is so.

961. That is your experience as the Chairman of the Season Ticket Conference of the Clearing House?—Yes. Will you look upon the traffic under 30 miles as over 90 per cent. of our ordinary tickets?

962. *Mr. Bruce Thomas*: Now traders' tickets. Are they issued in accordance with any uniform scale?—That is a Clearing House scale. That is a uniform scale—standard scale.

963. Is it adopted by all companies?—Yes, who are parties to the Clearing House.

964. There are no departures from that?—No. That scale is of recent date compared with the issue of ordinary season tickets.

965. *Mr. Jepson*: With, I think, a minimum of something like 30 miles?—It is 30 miles now. It is really the outcome of what is known now as the present R.C.H. scale for 30 miles and over.

966. I do not follow that.—Prior to 1889 there was a scale in operation for coal factors and cattle dealers, and so on, which ran from over 30 miles. About 1888 or 1889 the various railway companies had under consideration a traders' scale for people who paid them so much in traffic, and a scale was evolved from that present long distance scale for coal factors and cattle dealers; and the old scale that was adopted by one or two companies for these coal factors and cattle dealers then became the basis of this ordinary season-ticket rate for 30 miles and over. So that the traders' scale is one of comparatively recent date, and is, therefore, a standard scale. When we obtained the direction from the Tribunal over which the late Sir Francis Gore-Browne presided, in August, 1921, we gave an assurance that if the new direction were granted to us with regard to revised charges for traders' tickets, that it would automatically become binding on all the railway companies; and that has been carried out since. The new direction was granted, and the whole of the railway companies now are parties to the traders' ticket scale.

967. *Mr. Locket*: That scale has a definite relation to this scale?—No, it has not.

968. No relation at all?—No.

969. *Mr. Bruce Thomas*: Is it just another exception to the normal season-ticket scale for distances over 30 miles?—Yes, a very great exception—very low.

970. *Mr. Locket*: But it got a definite percentage below?—No.

971. *Mr. Jepson*: Of course, with the traders' ticket scale you are not subject to the influences to which you are subject in regard to ordinary season tickets, such as development of residential districts, and so on. The companies can fairly and equitably say, "Very well, if you want a traders' ticket it shall be based upon a general scale."—That is so.

972. The same circumstance do not have to be taken into consideration as with residential season tickets?—The traders' ticket scale is issued on so many miles, and he has to pay the same for that number of miles, no matter which company issues it or between what towns he wants to go. With regard to residential tickets it is a different matter.

Cross-examined by Mr. CHIFFS.

973. Do you say that it is not possible to have a scale for season tickets, or is your evidence directed to the fact that there is no universal scale now?—I

say it is not possible to make up one to give satisfaction to the public and to the railway companies.



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[Continued.]

974. And the reason that you give for that is because in certain residential districts you have competitive traffic, and therefore you have to reduce your fares to a lower level?—I do not follow that.

975. I thought that was the reason you gave?—No. My main reason is the varying scales in operation throughout the kingdom which have been accepted by the public, and on which we now issue the tickets. If something different from that is put into operation all those rates are upset, and the public are upset.

976. Your fear is that the public will be upset. I only want to get at what your fear is?—Yes, that is one reason.

977. And it would be impossible to make any scale which would not upset the public?—That is so.

978. With regard to ordinary third-class fares. You are proposing to make a definite standard charge there? Is that correct? You have put in the Schedule a definite standard charge for ordinary third-class fares?—I am not appearing for that.

979. I am sorry.—That I cannot give you any information about. Perhaps Mr. Bruce Thomas will assure you, I cannot.

980. I do not want any assurances. I only want to ask you some questions if you do not mind answering them. In your Schedule of provisional proposals which you have put in, under the part which deals with the provisional proposals for the conveyance of passengers in the schedules of charges, you have for each passenger carried in a third-class carriage so much per mile. The object of that is in order that this Tribunal may at a later date fix a standard charge; that standard will then compulsorily have to be charged by the railway companies, unless there are exceptional rates in certain instances. You appreciate that?—Yes.

981. What proportion of exceptions to the ordinary third-class rate do you anticipate there will be?—In what? In ordinary fares?

982. Yes, in ordinary fares?—I assured you just now I am not appearing on behalf of ordinary fares. I have no information.

983. You are appearing on behalf of the railway companies?—In season ticket matters.

Mr. Jepson: Did you mean the number of exceptions for ordinary fares which will be below the standard ordinary fares?

Mr. Cripps: Yes.

Mr. Jepson: You were not asking him questions referring to week-end or excursion tickets?

Mr. Cripps: No; I am talking about the ordinary single third-class fare. I want to know the number of instances in which that will be below the standard rate.

Witness: Do I understand it is to do with season ticket fares?

984. No, nothing about season tickets?—I cannot give you any information about ordinary fares. That is not my province. I am only appearing on behalf of season ticket matters.

985. I am going to put something to you, and if you cannot answer it please tell me. If you take the 488 stations which there are within 20 miles of London, in 480 of those the ordinary third-class fare is in fact below the standard now; it is an exceptional fare? You do not know?—No.

986. And that if you take the return fares for those same stations, in 257 of them the return fare is less than double the single fare. Now, do you anticipate, as regards season tickets, that there will be any greater number of exceptions than that?—On what standard?

987. If a scale is laid down?—I cannot say until I know on what line the scale is laid down.

988. I cannot tell you on what lines the scale will be laid down. If it is laid down at all, because it will be for the Tribunal after they have considered the figure. But assuming for a minute that a scale is devised for season tickets—a similar scale to this one which was devised by the Railway Clearing House, only applicable under 30 miles. Do you anticipate there will be a greater number of exceptions than

there are to the ordinary third-class rates, taking the figures I have given you?—That is impossible for me to say unless I know what the standard is. You have 15 companies.

Mr. Cripps: I assume that if a standard is laid down it should be the best standard available.

President: Will it not be so many miles from London, or so many journeys? It might help this gentleman who is an expert in season tickets.

Mr. Cripps: I will put forward as a suggestion Mr. Rowland's scheme for the North Eastern, which he put in and said practically applied on their railway, and which was a scale varying with distances.

President: If the price were determined simply by the distance and there were an increasing sum as you went further from London, do you think there would be a good number of exceptions to such a system, if introduced and it had to be made acceptable in some form to the public. Is that what you want to know?

Mr. Cripps: Yes, it was that; but it was a little different, if I may say so.

Witness: May I put it in my way?

989. No; I would rather ask you a question, if I may. I rather want to keep to this point for a moment. Assume that such a scale were laid down for season ticket rates as was put in by Mr. Rowland in his evidence, which was a scale with the rates varying according to the mileage from the centre—do you anticipate if such a scale were applied that there would be a greater number of exceptions to that scale than there are at present to the ordinary third-class standard rates around London? That is, eight-ninths of them are exceptions?—It is impossible to say unless I have the line. We have 15 companies with rates different. If the standard is fixed at 15 all the rates would be exceptions under it. If the standard is fixed at 9 it would automatically wipe out any exceptions between 9 and 15, and a certain proportion of the rates below them would be exceptional. But until I know what is the dividing line for the standard, it is impossible to say what would be the proportion of exceptional rates.

990. Let me take B.T.L. Which of those railway companies carries the heaviest traffic into London?—I should say the Great Eastern.

991. Does that scale which is shown in B.T.L. for the Great Eastern apply to the London district?—Not all of it. They have so many exceptional rates in the London district.

992. Does it apply substantially?—No.

993. Some other scale applies to the London district substantially?—Hardly a scale. Competition distances and competition rates.

994. Take the Great Western and the London and North Western. I see they have the same scale except that the Great Western has no rate below three miles; that is to say, the first three miles are the same rate; otherwise the scales are the same throughout. Is that right?—Yes.

995. And, as a matter of fact, the Lancashire and Yorkshire the same?—Their general scale was the same as the London and North Western.

996. So that it was possible for those three railway companies, anyway, to have a general scale which was identical?—Take the Lancashire and Yorkshire—they had five scales.

997. If you do not mind answering the question. It was possible for those three railway companies to have a general scale which was identical?—Yes.

998. Is there any reason why the other railway companies should not also have an identical general scale?—Certainly; because it would dislocate their present relations with the public; and also, on the other hand, it would possibly mean a loss of revenue.

999. Those are the two reasons?—Yes, those are the reasons.

1000. You said that the Great Western Railway Company had eight scales owing to their grouping?—Yes.



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[Continued.]

1001. Do you mean that the amalgamated companies had separate scales before hand, and now they have grouped they have adopted the scale of the amalgamated companies?—Yes.

1002. How many scales had the Great Western themselves?—I should say four or five.

1003. Can you give them to me?—No. I have not got them with me.

1004. I thought you were coming here to represent the season ticket matters?—Certainly; but that was hardly a point that was put before me, that you wanted those different scales from the different companies. I was asked to give examples.

1005. I should like to know what the four or five different scales on the Great Western are?—I have not been supplied with those.

1006. Have you any railway on which you have got those exceptional scales for which you can give me the exceptional scales?—I can give you the Midland.

1007. I should be much obliged if you would. You say there are 3 exceptional scales on the Midland?—That is so.

1008. I want to know how those scales are made up?—It is impossible to say. They are wrapped in mystery.

1009. If they are a scale they must have some relationship to something?—No; that is the unfortunate thing about all the scales.

1010. Then they are not scales. They are merely isolated exceptions?—It is shown as a scale, and it is printed and accepted as a scale.

Mr. Jepson: How do you describe them?

Mr. Cripps: Then I do not understand exactly what a scale is.

Witness: Shall we use the word "list"?

Mr. Cripps: Yes; that is a very different thing from a scale.

1011. Mr. Jepson: When you were dealing with Scotland just now we had a general scale, then we had an intermediate scale, a north scale, and a suburban scale. Those, apparently, were the four; and one could get a sort of idea from those what was the application of those four different scales. But when you say the Midland have three scales we have not, either by the description of the three scales or anything you have said, any idea of what is the nature of their application?—The Midland ordinary scale in operation is on certain miles; but there is no basis for the origin of it. They were commenced when season tickets were in their infancy and it was never anticipated there would be such a demand for them. As tickets were asked for rates were arranged between certain points; and when anything was asked for intermediate the rates were pared down. That is how the scale came into operation.

1012. Mr. Cripps: It is about time a new one was invented, I suppose?—If it could be satisfactory to the public and the railway companies. I have it here. (Document handed.)

1013. This top one, "Scale of Charges for Ordinary Season Tickets"—I am glad to see the word "ordinary" there; I am sure Mr. Bruce Thomas will like that—this is what you call the general scale, is it?—Yes, when no other considerations are affected.

1014. That goes up to 30 miles?—Yes.

1015. This is on the North Eastern Railway?—Yes. We applied that in the Leeds, Otley, and Ilkley district.

1016. Because of competition with the North Eastern?—Yes.

1017. That has gone?—No, it has not.

1018. I beg your pardon. Do you know upon what this is based?—As I have said, those are wrapped in mystery—the origin of those rates.

1019. I think Mr. Rowland was a North Eastern gentleman?—Yes.

1020. So that we have the history of that. He gave us the scale. Now, Manchester district; Great Central Railway. That is competition, too?—Yes.

1021. So that there are only two here besides the general one?—Yes.

1022. Both the other two apply only in limited districts where there is competition?—That is right.

1023. That, I suggest to you, is exactly what is provided by Section 32 of the Act, that exceptional fares may be granted in respect of competitive traffic. That is exactly what was contemplated by the Act, that in cases where there was competition it would be possible to fix competitive fares?—No. I take it that is where the points are common.

1024. The words are "competitive traffic." I do not want to argue with you about what the section means. It is only where you have got competitive traffic that you depart from your general scale, otherwise than in certain isolated exceptional instances?—No; we have hundreds of instances. You cannot call them isolated instances. In every large town—in every busy centre—we have exceptional rates.

1025. Where you have those exceptional rates for season tickets, do you also have exceptional rates for third-class returns?—I cannot say that.

Mr. Jepson: I think it was explained to us the other day that the season ticket has very little regard to the ordinary fare.

Mr. Cripps: Quite so.

Mr. Jepson: We were told the other day that in some short-distance season tickets the charge was equal to six journeys a day, whereas for long-distance season tickets the charge was sometimes equal to one journey a week, or one journey a fortnight. So that it is scarcely fair for you to put it to him with regard to season tickets when you are comparing it with the ordinary fare.

1026. Mr. Cripps: If I may put my point. Perhaps you do not quite appreciate what I was trying to get the witness to say. It is exactly what I put to Mr. Rowland when he was in the box, and I hoped any witness from the railway companies would be able to deal with it. The railway companies have put into the Schedule third-class fares, and they say that must obviously be standardised; they say they cannot put in season ticket fares because there are so many exceptions. I say there are just as many exceptions in the ordinary third-class fares as there are in respect to season tickets; and it is no argument to say you cannot put them in season tickets. Mr. Rowland accepted that position. That is why I wanted to see whether this gentleman would contradict what Mr. Rowland has said; but he has no knowledge on the matter, so he cannot either confirm or contradict. (To the Witness): You gave us some instances on the Great Northern Railway with regard to exceptional rates, and one of them was King's Cross to Wood Green. Can you tell me why that is considerably above the general scale rate?—That is a rate which has been in operation for many years. I suppose they had an opportunity of putting it into operation, and did so.

1027. At any rate, it would not hurt the King's Cross and Wood Green people if a general rate were applied?—No. But the railway companies would lose that revenue.

1028. As regards the Brighton rate. A good deal has been said about that. As a matter of fact, the Brighton rate is very little under the season ticket rate for 50 miles, is it; only about 24s. on the ticket?—The mileage is 51.

1029. I have not 51 on B.T. 1?—On B.T. 4—

1030. The London and Brighton Railway Company do not adopt B.T. 4, so it does not help very much to look at it. I think the rates were, first-class, 239 12s.; third-class, 228 16s.; and the 50-mile rate on the London, Brighton and South Coast Railway is 240; so that that is 8s. less than that; and 227 5s., it seems to be a little more, as a matter of fact. Do you know whether those figures are right for the season ticket rates?—For which?

1031. For Brighton. It has been suggested that it is a very exceptional rate; but, as a matter of fact, it is very nearly the normal rate.

Mr. Bruce Thomas: Have you the 50 per cent. in?

Mr. Locket: The rate for Brighton, I think, is only available between terminal stations and not for intermediate stations.

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*Mr. Cripps:* I am quoting the figures from the Report of the Rates Advisory Committee, where they set out the Brighton, and other figures, on page 8.

*Mr. Locket:* There are two rates available to Brighton. The one which is an exceedingly low one is available only between Brighton and London; and the other, which is comparable with the rates on the other parts of the line, is available between intermediate stations.

*Mr. Cripps:* I take it that the one I am quoting is the cheap one. You will notice what is said about the London to Brighton rates on page 8 of the Interim Report.

*Mr. Bruce Thomas:* That has a 20 per cent. in it, and this has nothing in it.

*Mr. Cripps:* Perhaps that is the difference. Is that correct?

*Witness:* That is so. These figures require 20 per cent. to be added to them.

*Mr. Bruce Thomas:* To get the comparison you want to take 20 per cent. off the Brighton one.

1092. *Mr. Cripps:* It is as 31 is to 40, about. That compares, as a matter of fact, with a season ticket rate on the Great Eastern of £31 for 50 miles?—Yes.

1093. So that there is nothing very exceptional about it?—Only that the Brighton rates are much higher. They are all higher.

1094. There is nothing very exceptional about the Brighton season ticket rate being £31 if the Great Eastern ordinary season ticket rate is also £31. Now, you say that in your opinion there are more exceptional season tickets issued than those issued on the scale?—Yes.

1095. Can you give any figures for that, or is that a mere guess?—It is not altogether a guess. It is on the knowledge of the working of the lines where the bulk of the tickets are issued. The bulk are issued at all the populous centres, and almost without exception those rates are lower than the scale.

1096. So that if you were fixing a scale for season tickets, as a matter of fact practically you could take the scale for the populous centres?—It varies in every centre.

1097. You could take a scale which was based on the populous centres and not on the other districts; they would form the vast majority of the traffic?—Yes.

1098. Of these populous centres London would bulk very much the largest?—Not necessarily; not compared with all the others.

1099. I do not say necessarily. I am asking you the fact. You do not think it would? I want to know your opinion. Would London bulk very much the largest as regards season tickets?—Not with the others aggregated. It would with any one centre, but not the whole of the centres.

1040. More than the rest?—No; if you take the whole of the centres, there would be more than London.

1041. About what proportion?—I should think about 2 to 1.

1042. About 33 per cent. of the whole would be London?—Yes.

*Mr. Cripps:* I want to ask one question with regard to B.T.3.

1043. *Mr. Jepson:* Are you quite sure, from your knowledge, have you properly considered that question? Because we have it in our minds that within 12 miles of Manchester there is a bigger population than there is within 12 miles of the City of London. It is a well-known fact that in these towns round about Manchester the population is bigger for a 12-mile radius, than it is 12 miles round London?—I say the issue is greater from those places than it is for London.

*Mr. Jepson:* I am sorry; I thought you said the other way about.

1044. *Mr. Cripps:* Now with regard to B.T. 3: "All Companies' Season Ticket Scales of Rates." Have you that there? Take the percentage of differences shown in the last column. That, as a matter

of fact, is the difference between the highest and lowest expressed as a percentage on the highest, is it not?—Yes.

1045. I want you to look, if you will, at 17 miles, and you will see: Pre-war lowest, third-class, £10; and you will see that that goes on up to 20 miles, exactly the same, £10, £10, £10; and, of course, the percentage difference grows larger and larger, 22, 32, 35, 39. That, I put it to you, was because on the railway which had that scale there was no variation between 17 and 20 miles. You will see it is the South Eastern & Chatham?—That is so.

1046. Similarly you will see that all the highest first-class fares between 20 and 25 miles, those are the ones I have looked up, I do not know if there is anything particular about them, are the Great Western, Lancashire & Yorkshire, and London & North Western scales; and all the highest third-class fares between the same places are the Caledonian. And the lowest first-class, although, as a matter of fact, the figure £18 opposite 20 miles as pre-war first-class lowest is wrong; I think it ought to be 15 guineas, and it is the Midland, London, Tilbury & Southend. So is the lowest at 22, 23 and 24?—For the Tilbury-Southend I have not any rate lowest for those distances. These figures were taken from isolated cases where they had issued tickets for those distances.

1047. They are put in this general scale which you have given us?—Yes, because they have issued them on that rate.

1048. Let me try and understand. I thought this general scale which you put in, B.T.1, gave a general scale which was applicable?—Yes.

1049. Now you say these are only isolated instances?—Yes; because their distance of line is so short.

1050. I am not blaming the railway companies; I am only trying to understand your figures?—On the Tilbury section the whole line.

1051. I do not want to know the reason, but the facts, if I may. These are only exceptional instances that you have put in here under Midland, London, Tilbury & Southend at 20 miles and over. Is that correct?—It is a scale, and yet not a scale; because they have no corresponding distances. So that if you take it as their rate for that distance it is correct.

*President:* It is a rate but not a scale?

*Mr. Cripps:* I do not appreciate what you mean by a thing that is a scale and not a scale.

1052. *Mr. Jepson:* Why did you put in £18 as the lowest charge pre-war first-class for 20 miles, when in this general statement you do show London, Tilbury & Southend, 15 guineas. That is Mr. Cripp's point?—What distance is that?

1053. On B.T.1 you show Midland, London, Tilbury & Southend, 15 guineas, for 20 miles; whereas in your B.T.3, when you are dealing with percentages, you show the pre-war lowest as £18. That should be 15 guineas, should it not?—As I have said, it is not an accepted scale on the London, Tilbury & Southend.

1054. *Mr. Cripps:* That is why you did not put it in?—That is so.

1055. Then will you tell me why for 20 miles you did put in £15 18s., which is the Midland, London, Tilbury & Southend figure; and at 23 miles and at 24 miles, all Midland, London, Tilbury & Southend figures?—You will notice that at the bottom there is an asterisk, where it says "Two figures, given average taken."

1056. On B.T.3 there is no asterisk. Not only that, but you have taken out the percentage differences using those figures as the minimum. I think they are at least 22 10s. less than the next figure. It seems hardly a fair comparison, does it?

*Mr. Jepson:* If these figures were put in which you suggest ought to be put in, of course it would vary this percentage.

*Mr. Cripps:* It would make it much less.

*Mr. Jepson:* It would make it much more, would it not?

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[Continued.]

Mr. Cripps: Much less; because this is the minimum figure.

Mr. Jepson: If you brought the 20 miles down from £18—

Mr. Cripps: I have passed on from that figure; I was dealing with the 22, 23, and 24.

Mr. Jepson: Supposing the £18 were brought down to 15 guineas. You would increase your percentage?

Mr. Cripps: Yes.

Mr. Jepson: How does it affect your argument?

Mr. Cripps: I was dealing with 22, 23, and 24.

Mr. Jepson: It is only a matter of degree. You may alter these percentages—

Mr. Cripps: It is not quite that, if I may say so. This is the point: This gentleman has said that he did not put in at 20 miles the Midland, London, Tilbury & Southend figure because it was not a proper scale figure; it was only from an isolated instance. But he has put it in for the 22, 23, and 24 miles. If it is not proper it should come in for

the 20 miles I submit it is not proper to put it in for the 22, 23, and 24; and if he had not put it in—

Mr. Jepson: If it is right to have put it in as you suggested at first, it would have brought it down?

Mr. Cripps: Yes.

Mr. Jepson: I was wondering how, if you did vary these percentages £4 or £5 each way, it affected your argument.

1057. Mr. Cripps: It was only a criticism of this document. I do not think these figures are material; that was all. Now with regard to the Clearing House scale over 30 miles. Is there any reason why the nine railway companies which do not adopt it, should not adopt it?—It would upset their present arrangements, of course.

1058. Of course it would. Is there any other reason?—Yes; it would mean loss of revenue in some cases, and in other cases the possibility of the rates being raised.

1059. Those are the reasons?—Yes.

## Cross-examined by MR. PURCHASE.

1060. When you say that any alteration of these scales would upset their present arrangements, you have a system in force under the Railways Act which upsets their present arrangements, have you not?—In what way?

1061. The whole system of the Act is intended to upset their arrangements to introduce a new system, is it not? Are you intending to keep all these various rates for season tickets. Let me put it in that way?—The present intention certainly is; because they are local to the district.

1062. That is dealing with the exceptional rates?—Yes.

1063. But take the ordinary rates and leave out the exceptional rates which you say are a large proportion of the rates for season tickets. Is it intended to keep this elaborate system still going under the Railways Act system?—I do not see how it can be altered.

1064. Do not you think it would be a very good plan to sweep them all away and have some system which would appeal more to the commonsense of the public, for instance?—I think it is more a question of appealing to their pockets than to their commonsense.

Mr. Bruce Thomas: Ask the gentleman from Brighton.

Mr. Purchase: That is a special instance.

Mr. Bruce Thomas: He has the common sense which can be appealed to.

1065. Mr. Purchase: This scale, B.T.1, is that a scale which is in operation under several railways, or is it a collection of rates which have been picked out; the only pre-war season ticket rates?—These are picked out from the general scale in operation on those companies' lines.

1066. So that these figures they have put into operation scales in each case?—Yes.

1067. There is a certain analogy to be drawn from rates up to 30 miles because of the fact that you have an exceptional amount of traffic, is there not?—Yes.

1068. Look at this rate of five miles that we have given to us—on page 2. The highest figure there is under the Midland, London, Tilbury and Southend, of 26 10s., third-class. Is that so?—Yes.

1069. Most of them are in the neighbourhood of 25 10s., are they not?—Yes.

1070. Let us go on a little further to 30 miles. Nineteen guineas for the London and North Western, is under the scale B.T. 4, for the ordinary season tickets?—Yes.

1071. You see, if you look at the lowest figure, you have the North-Eastern, £14 10s.?—Yes.

1072. Take 32 miles, in case this list B.T. 4 does not apply for 30 miles.

Mr. Bruce Thomas: It begins at 31.

1073. Mr. Purchase: Take 32 miles. You have the highest figure for the London and North Western, under the scale, of £21 7s. for third-class fares?—Yes.

1074. Then, if you look at the bottom you find £15 is quoted for the North Eastern?—Yes.

1075. Will you go on a little further to page 7, 60 miles. You see you have quoted there for the London & North Western, £27 10s.; that is in accordance with the scale for third-class season tickets. Then you drop to £22 for the North Eastern?—Yes.

1076. Even when you are putting into operation this scale you have as wide variations as you have almost up to 30 miles?—We admit that. That is our case. We admit that only four companies use that Clearing House scale for over 30 miles.

1077. It is your intention at present to keep those varying figures even for those higher-rated season tickets?—Yes.

1078. So that you will have a variation as deep and as acute for those as you have for the shorter journeys. You said the reason why you did not want to interfere and bring in a standard scale was because you were frightened that the public would be upset?—I gave both reasons. Loss of revenue also.

1079. And fear that the public would be upset?—Yes.

1080. I do not think you want to let us forget that; because you have told us three or four times?—Yes.

1081. But do not you think the public would be upset if, under the new system, there was no right of appeal open to them by reason of the fact that you had fixed the season tickets in such a way that they had no recourse to any tribunal to object to them?—You mean in any new rates?

1082. Or any old rates, for that matter.—Yes. But we have always contended that we are under no statutory obligation to issue a season ticket; it is a matter of convenience between the companies—a mutual arrangement.

1083. So that the public have no rights at all?—We do not consider they have up to now.

1084. So that you might carry the matter a little further and say you wanted to get a little more revenue, and, therefore, cease to issue season tickets?—We have no intention of that kind.

1085. It is not intention; we want to protect the public. You might do so, might you not, if your argument is to be accepted that the public have no rights. Then you say that you are frightened at loss of revenue?—Yes.

1086. But you have an arrangement under the Act by which you shall have your 1913 revenue?—Revenue from season tickets, I meant, when I said loss of revenue.

1087. But if you have your 1913 revenue fixed you need not trouble about loss of revenue on season tickets because that comes in under the other.

Mr. Bruce Thomas: We must try and keep the balance.

1088. Mr. Purchase: Yes, certainly. (To the witness): Are not you keeping in mind you are going to save a considerable amount of money by the absence of competition now that you have an amalgamation of companies?—On season tickets—we shall be saving money?



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[Continued.]

1089. Do not you think you will save money by reason of the fact that you have less working expenses?—In connection with what? Season tickets?

1090. You have less working expenses on your whole systems?—We are discussing season tickets.

1091. I know; but we cannot put it into blocks like that and deal with it without consideration of the larger issues. If you say you are frightened of losing your revenue on season tickets, ought not you to take into consideration at the same time the fact that you are likely to save a considerable amount because you have the amalgamations of railways?—I am afraid I must leave that matter to Mr. Thomas.

1092. Is it not the fact that most of these local rates, which are exceptional rates, are purely competitive rates. You gave one or two instances of rates that were to compete with trams?—Yes.

1093. Is it not the case that a good number of them would come under that category?—No, we have also the competition with other railway companies.

1094. That you will not have in future, will you?—Oh, yes. There will be competition between the various groups.

1095. It is not so important a factor as before, is it? At any rate, is it not the fact that these low rates are really brought into force by reason of competition?—Yes.

Mr. Jenson: Do you suggest there are no other circumstances than competition? I know the witness did not rise to the occasion; but we heard it the other day, that where companies were desirous of cultivating traffic—say the South Eastern and Chatham cultivating the Kent Coast business, and the London and Brighton cultivating the South Coast business—where there is no competition. Up and down the country one knows it is the policy of the railway companies to cultivate traffic even where there is no competition, and to do that they give special privileges with regard to season tickets, and so on.

Mr. Purchase: Is not that an element also of competition by reason of this fact: Take the trip to Brighton which is fixed on a very low season ticket rate. Is not the reason of that that the company particularly want to attract traffic to Brighton rather than that the traffic should go to another line and pay, perhaps, a lower season ticket rate?

Mr. Jenson: If you put competition as wide as that—certainly.

1096. Mr. Purchase (To the Witness): I think you said that the traders' tickets we need not trouble about because they are based on a general scale. Was not that your evidence? And also that they are issued in accordance with mileage. I am putting a very great problem to you, I understand, but would it not be possible for the united companies to devise some scheme by which they arrange these season ticket rates in accordance with a daily journey rate?—We have endeavoured to do so, and it is impossible. When it comes to the dividing line between the number of journeys per week, you have six or ten rates on the same figure.

1097. Could not you treat with those as exceptional rates?—How could it be a scale then?

1098. Could not you for practical purposes get a large proportion based upon that system?—Then it would not be a standard scale.

1099. Let me put an example to you. Supposing you had a journey from London to Brighton and you arranged that that should be based for a season ticket rate on three or four journeys. Would not it be possible on the Brighton Line to fix a season ticket rate which would be based on three or four journeys per week, or two journeys per week?—How would you carry that out with a full scale when you come to a shorter distance?

Mr. Jenson: Is it your suggestion that for the whole of the Brighton section that should apply?

Mr. Purchase: I am merely putting it to him.

Mr. Jenson: I do not follow your question. You said for the Brighton Railway. Supposing you fix two journeys per week at the ordinary fare as the price of the season ticket, would that apply it to such places as Streatham?

1100. Mr. Purchase: Perhaps the Brighton instance was a bad one, because there is special traffic on the Brighton line. Supposing you have a journey of 50 miles and a season ticket based on the idea of the season ticket passenger journeying three times a week, would it not be possible to arrange a system like that on that line, or is it too complicated?—It would be impossible to do it. As I say, with the dividing line based on the number of journeys per week you would have the anomaly of a shorter distance being higher than the one above where there is a lesser number of journeys.

1101. Would not that shorter distance be chiefly on account of certain local conditions?—Oh, no; it would not. I will give you an illustration: If you take four journeys a week up to 5 miles, and then come to three journeys a week up to 5 miles, you would have the position that you would be charging more on the fifth mile of the four journeys per week than you would be charging for the three journeys per week on the 6 miles. We endeavoured to avoid that difference, but then when we came a little further on to where there were two journeys a week we had the result that for about 7 or 8, and in some cases 10 miles, we had the same rate applying.

1102. Well, I merely put it to you. Take this scale of "B.T. 4," which would be a different system altogether; of course, would it not be possible to work on that?—You see only four companies adopt this.

1103. Why should not they all adopt it?—Because the rates are so widely different.

1104. When you say that four railways adopt it, you are giving us, perhaps I ought not to say, the most progressive, but at any rate you are giving us the North-Western, the Great Northern, the Great Central and the Midland, and then you give us two railways which adopt it partially, the Great Western and the South-Western. I suppose it would not be very difficult to get over the partial arrangement of those two lines, would it?—Yes, because their practice differs from the others with regard to tickets for three months and one month. They have a different system in operation on their line for three months and one month from what the other companies have.

1105. Mr. Bruce Thomas: For broken periods?—No, on the shorter periods. This scale provides for 12 months to six months; for three months to one month it is left to the option of the company adopting this scale to fix their own proportionate charges.

1106. Mr. Purchase: But that does not apply to this scale, because you say it only applies partially to the Great Western and the South-Western, which is only a scale for 12 months to six months?—Yes, but in addition to that—

1107. Never mind about the addition. Would it not be possible on that system to induce those two lines to adopt this scale entirely?—They have not seen their way to do so, and they are alive to the possibilities.

1108. Mr. Jenson: When you say that these two companies have only partially adopted it, do you mean they have only adopted it for the six months and the 12 months, and they claim to do what they like for the three months and the one month?—Yes; with regard to the Great Western that is so.

1109. Do you say that the Great Western have wholly adopted this scale for 12 months' to six months' tickets?—Yes.

1110. And have the South-Western wholly adopted it for 12 months' to six months' tickets?—No; I think they have only adopted it where they come into competition with the Great Western.

1111. And for other parts of the system they have a different scale?—Yes.

1112. Mr. Purchase: You say they have only adopted it on those parts of the line which come into competition with other lines?—I am not speaking with absolute certainty on that point, but I think that is the case to a certain extent, that competition, will not be existent.



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Mr. CHARLES EDWIN BIRCHTHORPE.

[Continued.]

Mr. Jepson: It will be between the South-Western and the Great Western, I think.

1113. Mr. Purchase: I do not think you were quite certain about "B.T.3," and I think you gave two different answers, but it may have been my misunderstanding. Do you mean that this percentage is based upon the lower of the two scales or the higher?—It is a difference from the lower scale.

1114. I think if you look at the calculation you will find it is a difference from the higher scale.

Mr. Jepson: That is what he told me before—it was a percentage of the lowest on the highest.

Re-examined by Mr. BRUCE THOMAS.

1115. The present system has been evolved in order to meet the varying circumstances that are to be found on different parts of the various systems?—Yes.

1116. And if it be elaborate, as it has been called, it does meet those circumstances, does it not?—It does.

1117. And in that respect it may be called scientific if it meets the particular circumstances that it is designed to meet?—Yes.

1118. It is suggested that simplicity is the thing to be aimed at. If you do obtain simplicity it can only be obtained by drawing some average line, can it not?—Yes.

1119. And that would necessitate bringing some people down and some people up?—That has been our difficulty all along.

1120. And the view you hold is that to do anything like that would cause a great public outcry?—Yes.

(The Witness withdrew.)

Mr. Bruce Thomas: Now, Sir, I want to give you

Mr. Purchase: But I think he gave two different answers.

Mr. Jepson: You told me, and the figures seem to bear it out, that you took the highest as the base, and then you say the lowest is so much percentage below the highest.

Mr. Stafford Cripps: It is the difference between the highest and the lowest expressed as a percentage on the highest.

Mr. Jepson: That is right.

Mr. Bruce Thomas: I am told by the Great Western representative here that the general scale does not apply in Cornwall, South Devon or Monmouthshire—that is the Clearing House scale.

1121. And if you did not bring those people up to the line who are now below the line, of course, it would involve you in considerable loss of revenue?—Yes.

1122. When I am talking of revenue I mean revenue from season tickets?—Yes.

1123. If the proposal were adopted to have some standard scale which would be in the nature of an approximate scale, would that be of any practical use?—No.

1124. Would it be able to be operated on generally?—No.

1125. Would you have as many exceptions as you have to-day?—Absolutely.

1126. And the evidence that you have given to the Court is directed to showing that the settlement of a standard scale for season tickets would not be of any practical benefit to anybody?—No.

Mr. EDWIN CHARLES COX; SWORN.

Examined by Mr. BRUCE THOMAS.

1127. You are the superintendent of the line of the Southern Railway South-Eastern Section?—Yes.

1128. I think you gave evidence before the Rates Advisory Committee at great length when the workmen's fares and season ticket rates were revised in 1921?—Yes, that is so.

1129. Have you had prepared a summary of passengers booked at workmen's and colliers' fares for the principal railways during the month of January, 1923?—Yes.

(Table put in and marked "E.C.C. 1.")

1130. It includes all the companies of the country except the Scottish portion of the London, Midland and Scottish, the Lancashire and Yorkshire, and the Furness?—Yes, roughly speaking, it embraces the whole of them except those.

1131. In the second column you show the number of fares which are issued at a single fare for the double journey?—Yes.

1132. That, for the moment, we may call the standard?—Yes.

1133. Then it shows the percentage, and then you show in (b), (c), (d), (e), (f), (g) and (h) the number of fares that are in operation at varying percentages below the single fare for the double journey?—Yes.

1134. And in the total we find that 48 per cent. of the fares in operation are less than the single fare for the double journey?—Yes.

1135. And that they vary from 5 per cent. below to 50 per cent. below?—And above 50 per cent. below.

1136. In the third column you show the number of journeys at single fare for the double journey, various percentages down to 50 per cent. below?—Yes.

1137. And the number of journeys and the exceptions that are shown to it?—Yes.

1138. When we come to the money columns, "Receipts column 4," we find that the receipts from the exceptions are 58 per cent. of the whole, and

some information with regard to workmen's tickets.

the receipts from the single fares for the double journey are 42 per cent.?—54 per cent. in the middle column.

1139. No; I am on the money column now, the fourth column?—Yes, in the money column there are 42 per cent. at the single fare.

1140. The amount of receipts is greater from the exceptions than from the single fare for the double journey?—Yes.

1141. That is a summary. In order to produce this summary you had to prepare a similar table with regard to the individual companies?—Yes.

Mr. Bruce Thomas: We have got all these statements here showing how this summary is built up, but I do not think I need go into them in detail. There are just one or two questions I will put to Mr. Cox upon them.

1142. Have you got the Great Eastern figures?—Yes.

(Table put in and marked "E.C.C. 2.")

1143. You will see on the first sheet there is a summary for the London and North Eastern, and underneath it you will find the constituents of that company. I see, in the case of the Great Eastern, 75 per cent. of the fares is at the single fare for the double journey?—Yes.

Mr. Locket: Which one are you taking—the third page?

Mr. Bruce Thomas: Yes.

1144. That is rather higher than one would have expected it to have been?—Yes; it surprised us all, but that is brought about by the fact that so many of the ordinary fares on the Great Eastern are below the standard basis.

President: It is the special 2d. fare.

1145. Mr. Bruce Thomas: Yes, I had not seen this table when I asked the question, but I rather anticipated on the Great Eastern that quite a different result would have been obtained. You need not refer to a table for this, because I know you

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MR. EDWIN CHARLES COX.

[Continued.]

can give this figure. Take the South Eastern and Chatham—are the fares there, which are issued at a single fare for the double journey, only 20 per cent. of the whole?—Just 30 per cent.; you have that on another sheet called “Southern Railway.” You have a summary at the top, and then the three companies underneath—the South Western, the Brighton, and the South Eastern and Chatham. It is sheet No. 4.

1146. And on the South Western the normal is 62 per cent. of the whole?—At the single fare.

1147. And on the Brighton it is 50 per cent.?—Yes.

1148. And taking the whole of the Southern Railway, the normal is 44 per cent.?—44-90.

Mr. Bruce Thomas: We have got all these figures in detail; you see how we have worked them out. We have taken each company separately, we have then summarised the group, we have then summarised the group summary, and have produced the Table “E.C.C.I.”

1149. Mr. Jepson: And the comparison is between the present workmen’s fare, or the fare charged during January of this year, and the ordinary single third-class fare charged during this year?—Yes.

Mr. Bruce Thomas: Yes; it is the ordinary single third-class fare for the double journey.

Mr. Jepson: As you said just now, it does make one express surprise when one looks at the Great Eastern figures. We know that many of those fares were 2d. up to 10 miles, and one knows that under the direction of the Minister of Transport they were put up, I think, to 6d.; but one cannot imagine that with the 50 per cent. increase in the ordinary fares the Enfield fare would still be 6d., or a lot of those fares would still be 6d.

Mr. Bruce Thomas: But the Enfield fare cannot be altered at the moment, because of the 200 per cent. limit that the Minister put on.

Mr. Jepson: You cannot alter the 6d., but apparently all these 6d. fares, or the greater bulk of them,

are said to be not less than the single fare for the double journey.

Mr. Bruce Thomas: Well, I do not know what the single fare to Enfield would be.

Mr. Jepson: It is 10 miles, I take it, and the ordinary Parliamentary fare would be 10d. plus 50 per cent.—1s. 3d. Supposing there was a very considerable reduction, it would not be less than 1s., I should think—I do not know.

Mr. Bruce Thomas: The reason I understand that Mr. Cox gave was, that the third-class fares are at a lower standard on the Great Eastern, and have only had 50 per cent. added to them whilst the workmen’s fare has had 200 per cent. added.

Mr. Jepson: I know, but it was on the relation of 2d. to 8d. before, but the ordinary fares were always below the average ordinary fares.

1150. You cannot give us an illustration the Enfield ordinary fare and the Enfield workmen’s fare?—No, I have not got those figures here.

Mr. Stafford Cripps: The ordinary fare is 1s. 3d. to Enfield.

Mr. Jepson: The single fare?

Mr. Stafford Cripps: Yes.

Mr. Jepson: And the workmen’s fare would be 6d. The Enfield fares would come in one of those other columns.

Mr. Bruce Thomas: Yes, in the bottom column “50 per cent. below.”

1151. Mr. Jepson: You have got the great bulk of the workmen’s fares on the Great Eastern travelling at single fare for the double journey; you have got 1,600,000 out of 2,000,000?—Yes.

Mr. Bruce Thomas: In the suburban district of the Great Eastern, where tram competition is very severe I believe the ordinary fares are on a very low level. I do not think I can carry it any further by putting in all these tables. I have got them all here if anyone wants them. It is all summarised on “E.C.C.I.”

Cross-examined by MR. STAFFORD CRIPPS.

1152. I see in this Table “E.C.C.I.” you have got daily workmen’s tickets and weekly workmen’s tickets in the third column?—Yes.

1153. In the weekly workmen’s tickets there is a reduction as against the day; it is cheaper to buy a weekly ticket than six daily tickets?—Not necessarily.

1154. But in some cases?—In some cases it is, but the standard basis is six journeys to the week.

1155. So that where you have a cheaper weekly or a weekly workmen’s ticket, that would account for some, anyway, of these reductions (b), (c), (d), (e), (f), (g) and (h)?—Yes.

1156. Also I gather from this Table that in a certain number of the cases the tickets for longer distances have greater reductions?—No, they vary a great deal.

1157. If you just look at the Table for a minute you will see 9,717,000 under heading (a)?—Yes.

1158. Value £105,983?—Yes.

1159. That is roughly 97 tickets to the £?—Yes.

1160. Now if you look at the bottom one you will see 452,000 for £6,000; that is roughly 75 to the £?—Yes.

1161. So that it appears that they are tickets of greater value, there are fewer of them to the £?—Those that are there in the scale, yes.

1162. Therefore, they would probably be for greater distances?—Yes, but it is accounted for by the fact that the Ministry of Transport’s scale for workmen’s fares gave a cheaper rate for the longer distances.

1163. I was just going to ask you that. The origin of this really was the Report of the Rates Advisory Committee in July, 1920, was it not?—Yes.

1164. And in that on page 6 I see they say: “The proposal put forward by the railway companies was that workmen’s fares should be fixed for the double journey at third-class fare charged for the single journey over the same route, this being in effect that they should pay half the ordinary third-class fare”; that was the proposal put forward for a standard charge for workmen’s fares?—Yes.

1165. And the railway company thought that that was a proper and substantial proposal to put forward?—Yes.

1166. Then they go on to recommend a scale of charges?—Yes.

1167. I will not read it, because you remember it—with a provision that no increase should exceed 200 per cent. of the existing fares?—Yes.

1168. And owing to that provision it was impossible to bring up a large number of the rates to the ordinary single fare?—That is so, yes.

1169. So it was really the provision of the Ministry of Transport which operated to prevent this scale of single fare prices being adopted generally?—Yes, in preference to the railway companies’ proposal.

1170. Of course, with regard to these cases where in these various sheets there are large differences shown from the single fare, they would largely be accounted for by impossibility of the increase of the workmen’s fare above 200 per cent.?—Yes.

1171. You can tell us, I have no doubt, whether it is correct to say that out of the 488 stations within 20 miles round London the ordinary third-class single fare charged is in 430 cases less than the standard?—I have not the figures, but it is quite possible, I should say.

1172. It would not surprise you?—No.

1173. And that in 257 of the same cases the return fare is not double the single fare?—No; that is quite likely.

Mr. Bruce Thomas: What do you mean by the standard? What would the standard be for the 488?

President: I suppose he means a penny a mile.

Mr. Stafford Cripps: 1½d. a mile.

Mr. Jepson: That is the penny with the 50 per cent. on.

Mr. Stafford Cripps: Yes.

1174. Does that show any greater difference than the difference in the workmen’s tickets?—No; I think one follows the other.

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MR. EDWIN CHARLES COX.

[Continued.]

Mr. Bruce Thomas: In the 488 would you include all the Metropolitan stations?

Mr. Stafford Cripps: Not the Tube, no. I will tell you what they are. There is the Southern Railway, the London and South Western to Waterloo, 43 stations; the London, Brighton and South Coast to London Bridge 53, and to Victoria 51; the South Eastern and Chatham to Charing Cross 61, and to

Victoria 27; the Great Western to Paddington 24; the London and North Eastern, the Great Central to Marylebone 9, the Great Eastern to Liverpool Street 62, and to Fenchurch Street 45; the Great Northern to King's Cross 31; the London, Midland and Scottish, the London and North Western to Euston 14, to Broad Street 47; the Midland to St. Pancras 21.

Re-examined by MR. BRUCE THOMAS.

1175. In London if you take all these stations, you would find a very large number of these fares are depressed through competition, would you not?—Yes, undoubtedly.

1176. And that, of course, of itself brings them

above what has been termed the standard, accepting 1d. per mile as a standard?—It prevents them being raised to the standard.

1177. If it be correct to call 1d. a mile a standard?—Yes.

(The Witness withdrew.)

Mr. Cripps: I want, Sir, if I may, to try and explain first of all the position of the London County Council. The London County Council are here representing the public, and representing themselves, as housing authorities, and the other housing authorities round London. The Council look upon this as an opportunity which they should take to see that the public are given their proper rights under the Railways Act. They do not feel that they come here in mercy, or that they come here to beg the Tribunal for any scrap that may fall from the railway companies' table. But they feel that, on the proper interpretation of the Act, there are certain things which should be put into the Schedules; and they come here to represent that view, and to ask the Tribunal to act upon that view. I want, if I may, to impress on the Tribunal that the real question here is whether under the Railways Act provision is made for putting into the Schedules by the Tribunal workmen's fares and season tickets rates. That really is the whole question here; and that question must depend upon the interpretation of the Act ultimately. The question of interpretation, I submit, is a simple one. One merely has to look at the words of the Act itself, and I think they are without doubt. But if there be any doubt as to the meaning of the words of the Act, it is legitimate to look at the general principle of the Act and interpret the words in the light of that general principle. In my submission, the general principle of this Act is that, first of all, competition between the railways is to be done away with in order to effect greater economies in management. All rates are thrown into the melting pot; and for the first time the new Tribunal is to lay down and standardise the whole of the rates of the railways for all purposes; and that Tribunal alone is now competent to decide questions of rates; and that "all rates and charges" includes every ordinary and usual rate which has been made hitherto upon a railway, or any ordinary or usual charge. My friend Lion, which is the section that is enacted in order to give definition to the terms, you there again have to read into the definition this word "ordinary."

I do not think that for one moment you would think of doing such a thing in a definition section; and it is past comprehension that the framers of this Act, if they had intended to limit the Act to ordinary passenger fares, would have left out of the definition section the word "ordinary." Because you will appreciate that if you read in Section 30 (1) the words "As ordinary fares for the conveyance of passengers," the whole Act is limited to that. The exceptions come under that head. They would have to be exceptional ordinary fares. Because under Section 30 (1) the Schedule is of the standard charges proposed to be made, it would then read, "for the ordinary fares," and the exceptions would be exceptions to those ordinary fares. So that if you did limit Section 30 (1) to ordinary fares—which I submit you cannot possibly do in view of the definition section—then you would limit the whole Act to ordinary fares, and take anything in the way of exceptional fares right out of the Act altogether.

If I may, I will pass to the Act—Section 30 (1). I would call your attention to the first words because I think there has been some little misunderstanding, possibly, of the manner in which these Schedules may apply: "The constituent companies in each

group shall jointly, or with the consent of the rates Tribunal any one or more of such companies may submit to the Rates Tribunal a schedule." There is no question of any universal rates for the whole of the country. If the railway companies were to feel that it was difficult for them to make a rate which was universal for all the railway companies, for the various amalgamated railway companies, there is here an express provision by which the various constituent companies may come individually to the Tribunal and ask under the special circumstances to have a particular schedule. Therefore, any question of any rate not being universally applicable is quite immaterial. The subsection proceeds: "a schedule of the standard charges proposed to be made by the amalgamated company into which they are to be formed, according to the classification fixed as aforesaid, and shall (except as hereinafter provided)"—I will come back to those words in a moment—"show in that schedule the rates for the conveyance of merchandise, the amounts of terminal charges, and the fares for the conveyance of passengers and their luggage." If for a moment you would consider that Section without the words "except as hereinafter provided," it is quite clear, in my submission, that that would include every charge and every fare for passengers. There could be no exception possible. The "except as hereinafter provided" is really referring to those words at the end of Section 32—that is, the charging section—"and no variation either upwards or downwards shall be made from such authorised charges unless by way of an exceptional rate or an exceptional fare continued, granted, or fixed under the provisions of this Part of this Act." That refers to the same exceptions as the exceptions in Section 30 (1); and, therefore, you have only two divisions of fares and charges, you have either the exceptions or the rest. My friend sought to interpret that as being ordinary fares for the conveyance of passengers; and he was driven by that interpretation to say that when you look at the interpretation section, which is the section that is enacted in order to give definition to the terms, you there again have to read into the definition this word "ordinary."

I do not think that for one moment you would think of doing such a thing in a definition section; and it is past comprehension that the framers of this Act, if they had intended to limit the Act to ordinary passenger fares, would have left out of the definition section the word "ordinary."



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[Continued]

Now, Section 32 is the next section of importance. I will not read it, except the very last sentence of all: "Or fixed under the provision of this Part of this Act, or in respect of competitive traffic in accordance therewith." If I may say so, that seems to me to provide exactly for the class of cases which have been quoted by the witnesses in their evidence. The whole of their evidence has really been based on this competitive traffic which is specially provided for in the last one of the cases of exceptional rates. Those exceptional rates are also provided for in this section. Now, if you turn to Section 41 you see: "Any amalgamated company or railway company to which a schedule of standard charges has been applied may charge fares below the standard fares in such circumstances as the company may think fit, but the circumstances in which such exceptional fares—that is to say, fares below the standard fares—if below ordinary fares, are made, at that moment—may be charged, and the amount of reduction below the standard fare." What standard fare? Does that mean the amount of reduction below, say, the standard first-class fare, or the standard second-class fare, or the standard third-class fare? Does that mean that if you are to make an exceptional rate—assume for a moment that workmen's tickets are at exceptional rates—below what standard? I submit that means, and it is only cases where the reduction is below the standard workmen's rate that the Minister would be concerned.

*President:* Do you say that Section 41 (1) is limited to reductions below—

Mr. Cripps: To whatever standard the rate you are dealing with is referable.

*President:* Yes, quite so. Assuming we fixed a standard for workmen's fares, that would be exceptional?

Mr. Cripps: Yes. But if you did not fix a standard for workmen's fares there would be no standard to which the exceptionable workmen's fares would be referable.

*President:* I see your argument.

Mr. Cripps: It only contemplates you have an exception from a standard of a similar class and not from quite a different class. It would be ridiculous to say, for instance, a third-class season ticket is a different class from the standard first-class fare; it must be a standard to which the actual exception you are dealing with is referable.

*President:* You do not think the third-class would be enough?

*Mr. Cripps*—No, I submit not. Because where you have things like season tickets and workmen's tickets, which are well-known and established things, the Minister is not going to be concerned, because after the appointed day the railway companies continue their season tickets exactly as they are now. They will all be below standard rates unless a standard rate is fixed. But that will not concern the Minister. What he will be concerned with is if their season tickets are suddenly reduced below the standard rate for season tickets.

*President:* I see what you mean.

Mr. Cripps: I submit that is clearly what Section 41 means; that the exception is an exception to the standard of the class with which the exception deals. I have dealt with the interpretation section on which Mr. Bruce Thomas based his case very largely.

*President:* Do you, in this Section, before I pass from it, attach any great value to the phrase, "if below ordinary"?

Mr. Crockett: If I may say so with respect, I think Mr. Lockett's reasoning with regard to that was absolutely accurate, where he said that you might well have an ordinary fare which was not the same as a standard fare; and, therefore, the exceptional fare, if below the ordinary fare, would mean not if below the standard fare chargeable for that particular sort of thing. Take a week-end ticket. Three of the lines have in force, say, week-end tickets at fare-and-a-third, which is the ordinary thing for

week-end tickets. Another railway company wishes to put that on; then the circumstances in which such exceptional fare—that is, the week-end ticket at fare-and-a-third—if below the ordinary fare, it would not be below the ordinary fare it would be the ordinary fare; therefore it would not concern the Minister, because it is only if below the ordinary fare that the circumstances in which such exceptional fare may be charged may be reported to the Minister. But if the week-end ticket is said to be at a fare-and-a-half, then the Minister said: "We are going to issue week-end returns at single fare," then it would concern the Minister, because that is something quite out of the ordinary.

There was one point with regard to Section 57 to which Mr. Thomas was driven by Mr. Jepson with regard to the question of the inclusion of the booking fee. That was put forward as being the one suggestion as to what an ordinary charge might be; and, unfortunately, of course it does not appear in the Schedule; so that there was some suggestion then made that a sort of omnibus Schedule was going to be made, covering the entire nature including such things as the booking fee, and whether or not the workmen's fares and season tickets would be included in that omnibus Schedule too; because, if so, it will save argument. But as far as I understand there is no provision for any other Schedule afterwards. Once this Schedule has been fixed by the Tribunal, this is the Schedule; nothing can be added hereafter. This is the final fixing of the Schedule, and it cannot hereafter be amplified. The point of this is that Sections 57 and 31 must be taken together, every word which is ever to go into the Schedules. With regard to section 34 I should like to say a word, though I think my suggestion has been made a little easier since Mr. Bruce Thomas's argument with regard to charges this morning, to which argument I had great pleasure in listening; because I think there he said quite specifically that Section 34 would be treated as the repeal of all provisions with regard to charges in connection with passengers. You will remember, Sir, that he emphasized the "in connection with," in order to show him; I think that everybody I quite agree with on other considerations regarding it. When I say "other," I mean other than what will remain in this Tribunal under this Act.

*President:* Is that an argument directed to the repeal of the 1883 Act?

Mr. Cripps: Yes.

*President:* You are strong about that, I know. Is it absolutely certain it is revealed?

*Mr. Cripps:* Mr. Thomas this morning in his argument absolutely agreed with it.

*President*: I know; but—

*Mr. Cripps:* I think, if I may say so, it is perfectly correct; it is quite obvious if you read this section with regard to the general intention of the Act—which you must do—that it is not intended, after this section has been enacted—after the appointed day—that any other Tribunal should be able to deal with the question of rates or fares.

*President.* If you will just pass away from the general intention for the moment, perhaps you would not mind following me in what I am thinking about, because we may be able to dispose of the difficulty. What I feel about it at present is this. Section 3 of the Cheap Trains Act of 1883 is not a charging section at all; it is a section under which the Board of Trade (now the Ministry of Transport) may bring pressure to bear upon people who have the power to charge. Supposing those people have a power of charge, as the old railway companies had in regard to passengers by virtue of the sections in their Acts, and, supposing all those charging powers are done away with under Section 34, and they obtained a new right to charge under Section 32, the provisions of Section 3 of the Cheap Trains Act to bring pressure upon people who have power to charge, still remain. The Board of Trade have not any charging power.

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[Continued.]

*Mr. Cripps:* My answer to that would be this. Under Section 32 you have a standard charge which you are compelled to make, neither more nor less. Are the Board of Trade to retain powers under the Cheap Trains Act to compel a railway company to charge something other than the standard charge under Section 32?

*President:* Yes, if the Act of Parliament is without qualification, as it appears to be, that the Ministry of Transport (formerly the Board of Trade) could say to them, "Unless you do this, that, or the other, we will take away this remission of duty." That is the only compulsion they had before, and I cannot see for the moment—perhaps you will convince me subsequently—how that is done away with by the provisions of Section 34. You must take it a little beyond what Mr. Bruce Thomas said and see what it does.

*Mr. Cripps:* I appreciate that.

*President:* Section 3 of the Act of 1883 is not a charging section at all.

*Mr. Cripps:* I appreciate the difficulty.

*President:* When you come to the other two sections, they are charging sections, and reference is made to them; but when you come to Section 3, it is not to my mind, as at present made up, a charging section in any sense of the word. I only want you to know what is passing in my mind at present.

*Mr. Cripps:* May I put it in this way: Section 3 of the Cheap Trains Act is not a charging section; on the other hand, it does give a power to the Ministry of Transport to compel railway companies under certain penalties to run certain trains at certain fares.

*President:* To exercise their charging powers in a certain limited way?

*Mr. Cripps:* Yes; to exercise charging powers which at the date of the 1883 Act, apart from the question of duty, were absolutely at large.

*President:* Yes.

*Mr. Cripps:* The 1921 Act does two things. It entirely takes away their power of charging at large as far as any standard fares are concerned.

*President:* Yes. Now, if you could show that Section 3 was so indissolubly connected with those charging powers that it must disappear when they disappear, you would be some way on in your argument; but unless you do that, I do not see how you can get out of it that the power still survives in the Ministry of Transport. You see what I mean?

*Mr. Cripps:* Yes.

*President:* I do not want to worry you a bit.

*Mr. Cripps:* I am very much indebted to you, Sir, for putting it. I look upon it in this way, if I may say so: This Act was intended entirely to wipe away all former regulations as regards the regulation of railways with respect to the settling of the rates to be charged both for fares and for merchandise. Part of that legislation was what is called in the note, "repeal of existing provisions." That section which repeals existing provisions repeals them in this way, "All statutory provisions with respect to charges for or in connection with the carriage of passengers by any railway company." That is repealed. How, in view of that, would it be possible for the Board of Trade, or the Ministry of Transport, to say that their powers to lay down specific rates to be charged to workmen can be continued?

*President:* They do not. They only bring pressure on the Companies to run at reasonable fares, and so on.

*Mr. Cripps:* That entails the fixing of a specific rate, which has been done, of course, under these Orders.

*President:* The company has to. The moment you have destroyed your old power of charge a new power, comes into existence, and the Act applies to the new one.

*Mr. Cripps:* I should have thought that it needed express words—where you have a section such as 32—to show the powers of the Board of Trade under

the Cheap Trains Act. You will remember what the words were, "May provide such accommodation or workmen's trains at such fares as may, having regard to the circumstances, appear to the Board of Trade or the Commissioners to be reasonable." It was a matter for the Board of Trade or the Commissioners to settle. And where you have a specific provision in an Act which purports to lay down an entirely new set of regulations altogether, and that the charges "referred to as the 'standard charges' shall be the charges which that company shall be entitled to make for all services rendered in respect of which charges are fixed, and no variation either upwards or downwards shall be made from such authorised charges"—that seems to be conclusive that the railway company cannot thereafter charge either more or less. Because the position would be that this Act, which purports to lay the basis for the fixing of the standard revenue of the railway companies, would be illusory as regards workmen's fares.

*President:* I mean in the same sense, you may call it illusory, they have exceptional rates? They are all agreed at getting at the standard revenue; but you do not get at the exceptional rate which may bulk very largely, otherwise than as a consideration when you are fixing the standard.

*Mr. Cripps:* There is no power of which I know by which another body such as the Ministry of Transport can step in after the standard rate has been fixed by this Tribunal and say: "No, you shall not charge the workmen's rate which you took into consideration in fixing the standard revenue; you shall charge only half of it." That can never have been contemplated.

*President:* I do not see the circumstances under which that will arise. There are certain workmen's fares which have been fixed, no doubt after representations to the Board of Trade; there are a lot of workmen's fares which are charged by the good will of the company. What do you suppose would happen to them? They would go on probably as they go on to-day; would the Board of Trade (so to speak) dash in and say, "You can charge only one-half?"

*Mr. Cripps:* I am not assuming they will; I am only putting the position that might arise if they did. I was only saying that I do not think this Act contemplates such a position being possible. The rates are left entirely to this Tribunal to fix; and I feel confident that the proper interpretation of this Act is that the whole of the power as regards fixing of rates and charges has been placed in the hands of this Tribunal absolutely without reserve.

*President:* Then you admit—or did admit previously—that with regard to the service of trains they still have jurisdiction?

*Mr. Cripps:* Yes, quite so; but not as regards anything which affects the revenue of the companies. I think that is the real criterion.

*President:* Then we have power—or so Mr. Bruce Thomas says on the other side—to fix what is reasonable in relation to these services of trains under the Cheap Trains Act?

*Mr. Cripps:* I submit that is a complete fallacy and a misinterpretation of the Act.

*President:* What do you say?

*Mr. Cripps:* That is under Section 28. I submit, first of all, that that section does not deal with passenger fares at all, quite obviously. If you look through the whole of the paragraphs—(a), (b), (c), (d), (e), (f), (g), (h) and (i)—there is not one word about passenger fares there at all. Paragraph (f) was the one my friend fixed upon as that under which this Tribunal would be able to fix fares under the Cheap Trains Act—as to "the reasonableness or otherwise of any charge made by a railway company or for any services or accommodation for which no authorised charge is applicable." Those are the words of paragraph (f). Even if that could possibly be separated to refer to passenger traffic it could not refer to workmen's trains, whether they come into the standard charges or not, because the fares that are to be charged must either be the standard

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charge or an exceptional charge, both of which are authorised. The standard charge is authorised under the Schedule; the exceptional charges are authorised under section 41 explicitly: "Any amalgamated company or railway company to which a schedule of standard charges has been applied may charge fares below the standard fares"; that is an express authorisation to charge other fares than the standard rates.

*President:* At whose motion would the workmen's fare be applied for, assuming the jurisdiction is divided between the Board of Trade or the Ministry of Transport and ourselves? Supposing a decision was come to that a certain service of trains was required and there was no standard, what would you say to that?

*Mr. Stafford Cripps:* I should say the power has gone, and unless it is put in as a standard charge this tribunal loses control, and that is, of course, the great thing for which we are fighting. We do not want the control of season tickets and workmen's fares to go out of this Tribunal. We want to be in a position to come to them in case of necessity, and to say that it is a matter of inconvenience to the public or that the rates will have to be so fixed that they will not raise discontent. What we consider is the big thing here is, that we want to keep these rates under the control of this Tribunal; we do not want them simply becoming sectional rates which may be charged or not charged. Season tickets and workmen's tickets are too big a matter to be simply dealt with as something which is exceptional and which comes under section 41 of the Act.

I have dealt with section 41, and now I should like just to deal in one word with the evidence. I do not think really that the evidence is of very great importance, because as I have submitted already the interpretation of the Act cannot in my view depend on the evidence which is given as to whether, when the Act has put some words into the Schedule, that is a thing which the railway companies can easily meet or cannot meet.

*President:* Then it seems to me this point could be made: under section 30 they have to deposit a schedule of the standard charges. I do not know that the word "standard" in this connection is used before in regard to railway rates, but I suppose it means, as it is contrasted with "exceptional," something which is normal or usual or in the nature of a standard.

*Mr. Stafford Cripps:* You see it is really defined in section 32: "In this part of this Act referred to as 'the standard charges,'" and that refers back, I think.

*President:* But it still must have some meaning.

*Mr. Stafford Cripps:* The words before are "the charges appearing in the schedule of charges as fixed by the Rates Tribunal"; those are the standard charges.

*President:* But it begins in section 30, and it uses it there.

*Mr. Stafford Cripps:* But it is "In this part of this Act."

*President:* The company are directed to produce a schedule of standard charges.

*Mr. Stafford Cripps:* Yes; those are the charges appearing in the schedule.

*President:* But before the schedule is completed they are still considered to be standard charges apparently, and have been introduced into the schedule as standard charges.

*Mr. Stafford Cripps:* Is not that speaking of the complete schedule—the schedule of standard charges. It is only contemplating it in its completion.

*President:* It may be. At all events, does not the word "standard" connote something usual or normal, as contrasted with "exceptional"?

*Mr. Stafford Cripps:* I think that is probably how the word was used.

*President:* To talk about standard conditions and standard rates of wages, does it not mean normal or usual in the absence of any disturbing circumstances?

*Mr. Stafford Cripps:* Yes, I think it does probably in that sense.

*President:* I am putting it to you to dispose of or deal with. In the first instance, assuming you rejected Mr. Bruce Thomas's interpretation and gave a more extended meaning to the word, not confining it to what the companies were able to charge under their charging powers, would they not then look round and say: "Well, now, what is in our opinion a standard charge—a charge which we have been making as a standard and usual general charge in relation to a particular kind of traffic." If they could find such a standard charge, would they then be bound to enter it in the Schedule?

*Mr. Stafford Cripps:* I submit that "standard charges" can only mean what it is defined to mean in Section 32, which refers to "the whole of this part of this Act" expressly. Therefore, you find the expression "standard charges" in this part of the Act, and you must read it to mean what is set out in the first words of Section 32, and it is used in Section 31 in anticipation, if I may put it in that way, of the definition which really comes in the first words of Section 32.

*President:* What I was trying to point out was, that it might not, so to speak, depend on the caprice of the company whether it was inconvenient. There might be some guide in the word "standard" to show what was their duty; I am only putting it to you so that you may deal with it.

*Mr. Stafford Cripps:* I quite appreciate it, Sir. I think, if I may say so, the onus is entirely on the Tribunal, and it is for the Tribunal to consider what shall become the standard charge, and I think from that point of view it is very important to look at the sections which deal with the assessment of the standard revenue and see there really what it is that it is contemplated that the Tribunal shall take into account. I do not find any words in those sections which would lead anybody to anticipate that, for instance, more than half the passenger fares in the country are to be left out of calculation in the standard charges.

*Mr. Jepson:* In the standard revenue?

*Mr. Stafford Cripps:* In the standard charges which make up the standard revenue. I quite appreciate that exceptional charges can be taken into account, but I do not think it was intended that such large blocks should be simply taken into account as exceptional charges.

*Mr. Jepson:* Do not confuse the word "standard" as used in connection with standard revenue with "standard" as used in connection with standard rates and charges, please, because I think they have two very different meanings.

*Mr. Stafford Cripps:* I was rather using it in the sense that the standard revenue is built up of things based on the standard charges.

*Mr. Jepson:* It is very much wider.

*Mr. Stafford Cripps:* I was just going to add, if I may—together with those exceptional matters which have to be taken into account.

I was just going to say something, if I might, about the evidence for one moment. Mr. Rowlands' evidence, which you heard some days ago, quite conclusively shows that apparently as regards his particular railway it was not only possible but practicable, and had been done to put into force a scale for season tickets and for workmen's tickets also, and not only that, but Mr. Rowlands, I think, expressed his opinion that it would be very desirable if such a scale could be applied more or less universally. I am not suggesting that any scale should be applied universally; I think it might well be necessary to have a different scale for the different railway companies.

*President:* Are you speaking now of workmen's tickets or season tickets, or both?

*Mr. Stafford Cripps:* Of both. I think Mr. Rowlands was quite frank about both, and said it could be done and had been done as far as he knew with



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[Continued.]

regard to both. There is one other matter with regard to that which I should like to mention, and that is the point upon which Mr. Birchthorpe really could not give us any assistance. There are quite as many exceptional third class ordinary fares as exceptional season ticket rates, I submit. For instance, out of the London area you have got 430 stations out of 488 which will all have to be, if the rates are continued, exceptions to the schedule, and a very large number of return tickets all over the country will have to be exceptions to the schedule, because no reduction can be made on a return ticket under the standard charges, and therefore they have to be made exceptions. If the railway companies feel themselves able to put those ordinary fares into the schedule in spite of all these exceptions, I submit there is no greater difficulty in putting in the season tickets or the workmen's tickets. It really is comparable, and as Mr. Cox said quite frankly, the variations in the workmen's tickets were very much the same as the variations in the ordinary third class return tickets. If that is the position, I frankly can see no reason why these tickets should not be included in the schedules. You will remember this morning, when Mr. Bruce Thomas was arguing about including something in the charges amongst the standard charges, he emphasised a point which I made in my opening as to how essential it was to standardise as much as possible of the revenue of the railway companies, or rather to standardise as many charges as possible in order that when the appointed day came as much as possible should be on a standard basis. I very much call in aid his argument that with regard to the workmen's fares and season tickets, which I pointed out, and I think I gave you the particulars, are a very large proportion of the fares and tickets issued in this country.

I do not think I can usefully add anything more, except to say perhaps this, that the railway companies' case here has really entirely depended on two things; first of all, reading the word "ordinary" in Section 57, the definition section, which I submit is an impossible thing to do in a definition section, and secondly, they have attempted to show the impracticability of applying the Schedule, and that I submit on the interpretation of the Act is not shown.

*Mr. Purchase:* My friend Mr. Cripps has dealt with so much matter that I will endeavour to be as short as possible in order that I may not cover the ground that he has already been over, but I submit with him that the language of Section 30 is free from ambiguity or vagueness to such an extent that it is not within the power of my learned friend Mr. Bruce Thomas to bend the language of 41 in order to make "ordinary" and "standard" practically synonymous in that section. The argument that was put forward against introducing into these schedules calculations for workmen's rates and season tickets and for traders' tickets was, first of all, the suggestion that it was inconvenient, and secondly, that it was against the interests of the passengers. As representing the passengers this afternoon, may I say I should be the last person to wish to do anything which would be against their interest. But there is another side of that question to be taken into consideration, and that is, as Mr. Locket said, that this is a new era in railway fares, and taking that into consideration, should we not be very careful to safeguard the interests of the passengers? It does seem to me that a very considerable difficulty will arise if we allow the contention of the railway companies to be put in force, namely, that all season tickets, traders' tickets and workmen's tickets should be brought in under "exceptional fares." There does seem a considerable difficulty from the point of view of the interests of the passengers. What is the position so far as the companies are concerned at the present time? We have had put before us by the last Witness but one, Mr. Birchthorpe, that they cannot interfere with present arrangements because they are frightened of upsetting the public, and they are frightened also of losing revenue, but surely the public would be upset more when this

new era of railway travelling was brought into force, when the companies had such supreme advantages as the elimination of competition and the fact that they are capable of introducing tremendous savings by reason of amalgamation of services, and that when such a state of affairs was brought into force the passengers were not properly protected. Supposing they do not come under Section 30, they must then come under Section 41, and then they can only appeal when there is a question of any of these rates being too low, and of course we can quite easily comprehend that there will not be many questions of appeal in such circumstances as those, because this Tribunal or the Minister would not have people coming before him for the purpose of saying that any rates were too low; they would rather wish to come before him on the contention that the rates were too high. But then there is no machinery in the Act; they must simply submit to what has been arranged. Although I am rather diffident about referring to it for fear that I should cause a diversion in a very serious Tribunal, in this particular it is interesting to refer to the various attitudes that have been adopted by the Ministry.

*President:* Yes; I know what you mean—all the answers given in Parliament.

*Mr. Purchase:* If you please, Sir, I would suggest that the answers in Parliament after the Act has been passed, when the difficulties have been appreciated by the railway companies, are different altogether from the answer that was given in the House of Lords, and if it had not been for the assurance on the part of the Ministry on that occasion we should have had in the interpretation clause, section 57, introduced as an explanation of "other charges," season tickets and traders' tickets. So that one has to bear in mind that in a sense, if those tickets are not included in a schedule which is introduced under this arrangement, then the assurance in the House of Lords is absolutely valueless, and to a certain extent those persons who were responsible for putting forward the suggestion of an amendment have been deceived very considerably. Now let us look at the schedule which has been arranged for us, and in this connection may I raise one point to which reference was not made at all in the evidence, or by my learned friend, Mr. Bruce Thomas, and that is, that there should be some arrangement so that the public could understand their rights with regard to the question of overcharging. If Section 34, which is a repealing section, is so wide that it can be interpreted to repeal all previous legislation on this matter, then the travelling public is in a very difficult position, but if, as you put to my learned friend, Mr. Cripps this is not a question of charging and therefore the matter of repeal does not arise under Section 34, still it is just as well that in this new era of public travelling the public should have an opportunity of deciding what their rights are, and should have those pointed out to them. In that connection I do suggest that there should be something in the nature of the addition of words such as "per seat" after "per mile" in this schedule.

*President:* So if a man stood up he would not have to pay at all?

*Mr. Purchase:* If the man stands up he has not had a seat.

*President:* And the logical consequence follows that he need not pay.

*Mr. Purchase:* And he need not pay.

*Mr. Bruce Thomas:* I understood that under an old Act they were entitled to 16 inches now, so what more do they want?

*President:* That was the measure our friend gave us the other day.

*Mr. Purchase:* That was the seating measurement.

*Mr. Bruce Thomas:* Is not that enough for you?

*Mr. Purchase:* My friend is suggesting that we should only have a standing up measurement.

*President:* No, he did not suggest that.

*Mr. Purchase:* If my friend suggests that he will provide 16 inches measurement for seating capacity that does meet the case.

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[Continued.]

*President:* He says you are already provided with it.

*Mr. Bruce Thomas:* I said that my friend asserted that he was already provided with it.

*President:* That is really what you want us to re-enact unless the measurements have grown?

*Mr. Purchase:* I do not wish the Tribunal to re-enact anything; I only wish them to draw attention to the rights of the public.

*President:* I do not think we could do that.

*Mr. Purchase:* If you please; I will not press that.

*President:* We quite see what you mean, and you have your statutory right, according to your own statement.

*Mr. Purchase:* Now, taking the argument of the difficulty of introducing these two scales of season tickets and workmen's tickets—the question of traders' tickets, I understand, has been settled satisfactorily, because Mr. Birchthorpe told us that they can be based on a general scale and issued on a mileage rate—as Mr. Cripps has pointed out, the evidence that has been brought for the railway company is in favour of such a scheme to a certain extent. We had the witness on Wednesday last who gave us the information that the North Eastern Railway had arranged such a system, and so far it was satisfactory. Then we have at the same time a long list which shows a scale for ordinary season tickets, and I associate myself with the argument that has been put forward by Mr. Cripps when he says that the receipts for the first, second and third class ordinary tickets will come out as numerous most likely as the receipts under a proper standardised scale for season tickets and for workmen's tickets; so if that is the argument, the difficulty does not arise in this question any more than it does arise in the other question of the ordinary first, second and third class fares.

There is only one other argument that I wish to attempt to put before you, and that is the question of finance in Section 53. Here is a considerable amount of revenue derived from these two classes of tickets, and yet for all practical purposes the companies are arguing that those should be taken out of consideration so far as this Tribunal is concerned. Why did not they take the argument a little further, because it is noticeable that on page 7 of these provisional proposals they have inserted a phrase "Returned fares to be double the singles." That they have deleted in consequence of our representations, but supposing they had kept that in and they give us a third class fare, and then a second class fare, then the only thing that the Tribunal would have to settle at all would be the first class fare, which, of course, is a *reductio ad absurdum*, so it seems to me in my submission, of the position as it stands. At present the attitude of the companies is this: they come to the Tribunal and say: "Season tickets are fixed on some peculiar arrangement which we do not go into, and a certain block of revenue is derived from those season tickets; that is A. block of revenue. Work-

men's tickets are worked in the same way; that is B. block of revenue. All that the Tribunal has to do is simply to decide what is left in order to get the revenue." That means to say for all practical purposes that the season tickets and the workmen's tickets are taken out of the ambit of the Act, and they only come in under "Exceptional fares" which are not fixed for the consideration and revision of this Tribunal. It seems to me that that is entirely against the spirit of the 1921 Act.

*President:* Here is a provision for a corresponding general modification of the exceptional charges; does not that, so far as your present argument is concerned, deal with it?

*Mr. Purchase:* Do you refer to Section 32?

*President:* No, Section 59. I thought you were saying they were wholly taken out of the area of review of the Tribunal because they were exceptional. I was only pointing out that those words do occur; they may not be sufficient from your point of view.

*Mr. Purchase:* My friend points out to me that that merely is a corresponding arrangement, and it only affects the corresponding charges.

*President:* You mean a corresponding reduction of the general charges?

*Mr. Stafford Cripps:* May I say one word with regard to that? I should submit that can only be such a review as corresponds to the review that is made of the standard charges. If you review the standard charges you may make a similar review of the exceptional charge, but you cannot otherwise make a review; it is only a corresponding review.

*Mr. Purchase:* May I summarise in this way, that here we have a considerable amount of revenue, and it must be taken into consideration by the Tribunal that the objection of difficulty is not one that appeals to us taking into consideration the interpretation of the Act which must be strictly interpreted; and lastly, that if we do rule out of consideration in the framing of this schedule such large blocks of traffic, then we are not making arrangements for fixing by this Tribunal the revenue under Section 53.

*Mr. Bruce Thomas:* I do not think I can say anything at this stage that is going to be of any assistance. I came here to-day principally to call the evidence that I promised to call; I have done that, and I think the Tribunal now has heard so much about this matter that they will be able to come to a conclusion.

*President:* Do you wish to address us on the question of the construction of the Statute, or anything of that sort?

*Mr. Bruce Thomas:* No. I do not think I can add anything to what I said on a previous occasion—I think if I addressed you I should only be repeating myself—neither do I want to deal with anything that my friends have addressed you upon as to the evidence.

*President:* After the important arguments that we have heard on both sides, we propose to reserve our Judgments.